COURT DOCUMENTS BUNDLE

Comprehensive Index with Summaries

Total Documents: 45
Dated Documents: 44
Undated Documents: 1

Date Range: 29 March 2018 to 31 January 2020
Compiled: January 28, 2026

DOCUMENT 1 OF 45

2018-03-29Unknown-18(dragged).pdf

Date: 29 March 2018

Pages: 2

SUMMARY

Document dated 29 March 2018.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP
DX No 321801 Leeds 18

T +44 113 284 7000
F +44 113 284 7001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 March 2018

DUPLICATE COPY BILL
We hereby certify that this is a true and correct copy of the original

Our Ref:	Matter Number:	Your Ref:	Bill No:
PA2/PA2	LON.333-0001	Marcin Nawrocki	2622803

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Financial Regulation			
To our charges for professional services in the above matter	450.00		2,250.00
Total	450.00		2,250.00

With Our Compliments

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

For Direct GBP Payment please send to:

Bank:	**Lloyds Bank Plc**
Sort Code:	**30-00-05 Account Number: 00200399**
IBAN:	**GB92LOYD30000500200399**
SWIFT:	**LOYDGB21007**

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Add Disbursements	0.00
Add 20% VAT	450.00
Total	2,700.00
Less Receipts	0.00
Amount Due	2,700.00

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Lexcel Legal Practice Quality Mark Law Society Accredited
INVESTORS IN PEOPLE

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH
DX No 136546 Bishopsgate 2

T +44 (0)20 7655 1000
F +44 (0)20 7655 1001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
With Our Compliments **Total**	1,200.00		6,000.00

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

For Direct GBP Payment please send to:
Bank: Lloyds Bank Plc
Sort Code: 30-00-05
Account Number: 00200399
IBAN: GB92LOYD30000500200399
SWIFT: LOYDGB21007

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Add Disbursements	0.00
Add 20% VAT	1,200.00
Total	7,200.00
Less Receipts	0.00
Amount Due	7,200.00

Squire Patton Boggs (UK) LLP

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Lexcel Legal Practice Quality Mark Law Society Accredited
INVESTORS IN PEOPLE

DOCUMENT 2 OF 45

2018-05-11180511-Statement-SquirePattonBoggs#LON333£9,900.00.pdf

Date: 11 May 2018

Pages: 1

SUMMARY

Document dated 11 May 2018.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
6 Wellington Place, Leeds, LS1 4AP
O +44 (0)113 284 7200
F +44 (0)113 284 7435
squirepattonboggs.com

assetcontrol.assist@squirepb.com

Private and Confidential

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

STATEMENT OF ACCOUNT

Statement Date: 11 May 2018
Client Number: LON.333

Matter Number	Bill Number	Bill Date	Due Date	Curr	Bill Amount	Amount Outstanding
LON.333-0001	2622803	29/03/2018	12/04/2018	GBP	2,700.00	2,700.00
LON.333-0002	2624225	25/04/2018	09/05/2018	GBP	7,200.00	7,200.00
					Total :	**£9,900.00**

Please send electronic payments using the following bank account details

Account Number: 00200399 Sort Code: 30-00-05 Swift Code/BIC: LOYDGB21097 IBAN: GB92 LOYD 3000 0500 2003 99

Please email your remittance to assetcontrol.assist@squirepb.com.

Please make cheques payable to Squire Patton Boggs (UK) LLP and send to the address above. For all enquiries please contact the Credit Control team on 0113 284 7200.

All items quoted on this statement apply to bills issued from Squire Patton Boggs UK offices only.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.Please visit squirepattonboggs.com for more information.

DOCUMENT 3 OF 45

2019-02-25Court_Documents_Bundle_Final_Metadata(dragged).pdf

Date: 25 February 2019

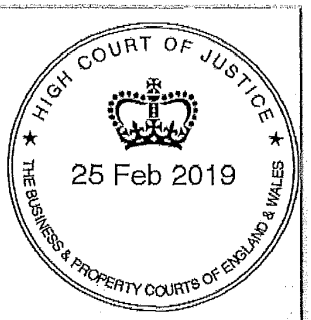
Pages: 26

SUMMARY

Document dated 25 February 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).



Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No: CR-2019-001356
Hearing Date: 10 Apr 2019 10:30 In the Rolls Building

Delete/ complete as necessary:
(a) High Court, London [a]
(b) High Court B&PCs DR [b]
(c) Non-B&PCs DR [c]
(d) County Court [d]

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)
~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**BUSINESS AND PROPERTY COURTS IN [*location*]**~~
~~**INSOLVENCY AND COMPANIES LIST (ChD)]**~~
~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**CHANCERY DIVISION**~~
~~**[*location*] DISTRICT REGISTRY]**~~
~~**[IN THE COUNTY COURT AT [*location*]]**~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

(j) Set out the grounds on which a winding-up order is sought

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed,

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness~~

this must be explained

~~statement of [*name*]~~
~~filed in support hereof.]~~

(m) Delete as applicable

(m) The Company ~~is/~~is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) Delete as applicable

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)

ANNEX A

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 870 458 2943
russell.hill@squirepb.com

14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.

- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Lexcel Legal Practice Quality Mark Law Society Accredited

INVESTORS IN PEOPLE

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

Squire Patton Boggs

Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary:
(a) High Court, London
(b) High Court B&PCs DR
(c) Non-B&PCs DR
(d) County Court

[a] IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

[b] ~~[IN THE HIGH COURT OF JUSTICE~~
~~BUSINESS AND PROPERTY COURTS IN [*location*]~~
~~INSOLVENCY AND COMPANIES LIST (ChD)]~~

[c] ~~[IN THE HIGH COURT OF JUSTICE~~
~~CHANCERY DIVISION~~
~~[*location*] DISTRICT REGISTRY]~~

[d] ~~[IN THE COUNTY COURT AT [*location*]]~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

(j) Set out the grounds on which a winding-up order is sought

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed, this must be explained

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of [*name*] filed in support hereof.]~~

(m) Delete as applicable

(m) The Company is/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

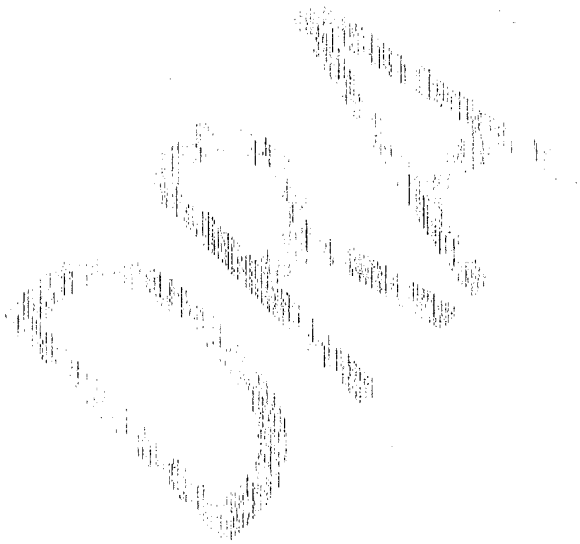
This petition was issued by the court on
and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)



IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

Petitioner
Russell Hill
1
Exhibit(s): RH1
Date: 21/2/ 2019
Court Reference No. of 2019

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP Applicant/Petitioner

and

LONDON BLOCK EXCHANGE LTD Respondent/Company

FIRST WITNESS STATEMENT OF RUSSELL HILL

I, **RUSSELL HILL**, a solicitor of Squire Patton Boggs (UK) LLP, Rutland House, 148 Edmund Street, Birmingham, B3 2JR will say as follows:

1. I am duly authorised by the Petitioner to verify the statements in the petition marked RH1. The statements in the Petition are made from my own knowledge except where otherwise indicated, in which case I have explained the source of my information or belief.

2. I have been concerned in the matters giving rise to the Petition and have the requisite knowledge of the matters referred to in the Petition because I am the Petitioner's solicitor and have been involved in the preparation of the Petition.

3. The statements in the Petition are true to the best of my knowledge, information and belief.

4. The Company is London Block Exchange Ltd (Company number: 10966096) with its registered office at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX.

5. The petition is to be presented in the High Court of Justice, Business and Property Courts.

6. I consider the Company's centre of main interest is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX. Accordingly, the EU Regulation on Insolvency Proceedings will apply and these proceedings will be main proceedings.

Statement of Truth

I believe that the facts stated in this Witness Statement are true.

.....

Full name: Russel Hill

Dated 21/2/19.

On behalf of: Petitioner
Made by: Russell Hill
First statement
Exhibit: "RH1"
Made on: February 2019
Filed on: February 2019

CASE NO **of 2019**

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD Respondent

EXHIBIT RH1

This is the exhibit marked **RH1** referred to in the statement of Russell Hill made on 21 February 2019.

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary:
(a) High Court, London
(b) High Court B&PCs DR
(c) Non-B&PCs DR
(d) County Court

[a] **IN THE HIGH COURT OF JUSTICE**
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

[b] ~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**BUSINESS AND PROPERTY COURTS IN [*location*]**~~
~~**INSOLVENCY AND COMPANIES LIST (ChD)]**~~

[c] ~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**CHANCERY DIVISION**~~
~~**[*location*] DISTRICT REGISTRY]**~~

[d] ~~**[IN THE COUNTY COURT AT [*location*]]**~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) Set out the grounds on which a winding-up order is sought

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed,

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness~~

this must be explained

~~statement of [*name*]~~
~~filed in support hereof.]~~

(m) Delete as applicable

(m) The Company ~~is/~~is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

STATEMENT OF TRUTH

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)

ANNEX A

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 870 458 2943
russell.hill@squirepb.com

14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.

- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Lexcel Legal Practice Quality Mark Law Society Accredited

INVESTORS IN PEOPLE

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

Squire Patton Boggs

Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary:
(a) High Court, London
(b) High Court B&PCs DR
(c) Non-B&PCs DR
(d) County Court

[a] IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

[b] ~~[IN THE HIGH COURT OF JUSTICE~~
~~BUSINESS AND PROPERTY COURTS IN [*location*]~~
~~INSOLVENCY AND COMPANIES LIST (ChD)]~~

[c] ~~[IN THE HIGH COURT OF JUSTICE~~
~~CHANCERY DIVISION~~
~~[*location*] DISTRICT REGISTRY]~~

[d] ~~[IN THE COUNTY COURT AT [*location*]]~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) Set out the grounds on which a winding-up order is sought

(j) The grounds on which the winding-up order is sought are:
The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed, this must be explained

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of [*name*] filed in support hereof.]~~

(m) Delete as applicable

(m) The Company is/~~is not~~ an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

(r) Delete as applicable

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

Delete as applicable and insert the relevant details as necessary.

Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.

(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH
DX No 136546 Bishopsgate 2

T +44 (0)20 7655 1000
F +44 (0)20 7655 1001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

REMITTANCE ADVICE

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
Total	1,200.00		6,000.00

With Our Compliments

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

For Direct GBP Payment please send to:

Bank:	**Lloyds Bank Plc**
Sort Code:	**30-00-05**
Account Number:	**00200399**
IBAN:	**GB92LOYD30000500200399**
SWIFT:	**LOYDGB21007**

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Add Disbursements	0.00
Add 20% VAT	1,200.00
Total	7,200.00
Less Receipts	0.00
Amount Due	7,200.00

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SCHEDULE OF CHARGES

DATE	HOURS	TIMEKEEPER	NARRATIVE
03/04/2018	0.10	S Tibbetts	Reviewing correspondence and agreement.
03/04/2018	0.60	S Tibbetts	Reviewing correspondence and agreement, call with A. Wilkinson and considering agreements.
04/04/2018	0.90	S Tibbetts	Call to discuss listing fee agreement.
05/04/2018	1.10	S Tibbetts	Reviewing documentation, considering agreement and drafting correspondence.
09/04/2018	0.80	S Tibbetts	Listing Fee Agreement: drafting correspondence regarding NanoLabs Listing Fee Agreement.
16/04/2018	0.40	S Tibbetts	Listing Fee Agreement: reviewing and drafting correspondence regarding Listing Fee Agreement.
16/04/2018	1.20	S Tibbetts	Listing Fee Agreement: drafting Listing Agreement.
16/04/2018	0.70	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	1.10	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	3.10	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	1.90	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
18/04/2018	1.10	S Tibbetts	Listing Fee Agreement: drafting listing fee agreement.
18/04/2018	2.40	S Tibbetts	Listing Fee Agreement: drafting listing fee agreement and correspondence.
19/04/2018	0.30	S Tibbetts	Currency Listing Agt: reviewing and drafting correspondence, including comments to agreement.
20/04/2018	0.50	S Tibbetts	Currency Listing Agt: prep for call and call to discuss.
20/04/2018	1.50	S Tibbetts	Currency Listing Agt: drafting amends to agt following call.
20/04/2018	3.70	S Tibbetts	Currency Listing Agreement: drafting updates to currency listing agreement and correspondence.

TOTAL HOURS	**21.40**
TOTAL CHARGES	**7,276.00**

TIME SUMMARY

NAME	HOURLY RATE	HOURS	TOTAL
S Tibbetts	340.00	21.40	7,276.00
GRAND TOTAL		**21.40**	**7,276.00**

MATTER TOTAL

SUB TOTAL FEES	**6,000.00**
SUBTOTAL	**6,000.00**
VAT: 20%	**1,200.00**
TOTAL AMOUNT DUE FOR THIS MATTER	**8,476.00**

THE GAZETTE
OFFICIAL PUBLIC RECORD

Published by Authority | Est 1665

Notice details

Type:
Corporate Insolvency
> Petitions to Wind Up (Companies)

Earliest publish date:
19 March 2019

Edition:
The London Gazette

Notice ID:
3236027

Company number:
10966096

Notice code:
2450

Issue number:
62592

Page number:
5001

About Petitions to Wind Up (Companies) notices

Petitions to Wind Up (Companies)

In the High Court of Justice

CR-2019-CR-2019-001356

In the matter of **LONDON BLOCK EXCHANGE LTD**

Trading As: LONDON BLOCK EXCHANGE LTD,

and in the Matter of the Insolvency Act 1986,

A Petition to wind up the above-named company of LONDON BLOCK EXCHANGE LTD (10966096) of Kemp House, 160 City Road, London EC1V 2NX, whose nature of business is Cryptocurrency Exchange, presented on Monday 25 February 2019, at 12:00 by SQUIRE PATTON BOGGS (UK) LLP, of 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH claiming to be a Creditor of the Company, will be heard at the High Court of Justice, Rolls Building, Fetter Lane, London EC4A 1NL on Wednesday 10 April 2019, at 10:30 (or as soon thereafter as the Petition can be heard).

Any person intending to appear on the hearing of the Petition (whether to support or oppose it) must give notice of intention to do so to the Petitioners or to their Solicitor in accordance with Rule 7.14 by 16:00 hours on Tuesday 09 April 2019

The Petitioner's Solicitor is Russell Hill, Rutland House, 148 Edmund Street, Birmingham B3 2JR,, Telephone: 0121 222 3132, Email: russell.hill@squirepb.com (Reference number: RH13/HAM.150-0220.)

Notice timeline for LONDON BLOCK EXCHANGE LTD (10966096)

Petitions to Wind Up
19/03/2019

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DOCUMENT 4 OF 45

2019-04-04Court_Documents_Bundle_Final_Metadata(dragged)3.pdf

Date: 04 April 2019

Pages: 4

SUMMARY

Document dated 04 April 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

SCHEDULE OF COSTS PRECEDENTS
PRECEDENT J

IN THE HIGH COURT OF JUSTICE

Claim No	

SENIOR COURTS COSTS OFFICE

IN THE MATTER OF Squire Patton Boggs UK LLP (Solicitors)

Claimant: LONDON BLOCK EXCHNAGE LTD

Defendant: SQUIRE PATTON BOGGS UK LLP (SOLICITORS)

SEAL

CLAIM FORM (CPR Part 8)

Details of claim (see also overleaf)

The following Orders are applied for:

(1) An Order for a Hearing to be fixed to determine whether any terms of a retainer exist between parties.

(2) An Order in standard form for the delivery of Bill of Costs in all cases and matters, if any such a retainer exists between parties in which the Defendant has acted for the Claimant.

(3) An Order that the Winding up Petition issued and advertised by the Defendant be stayed and or be dismissed pending the outcome of these proceedings.

(4) An order dealing with the costs of this application

Defendant s name and address:

Squire Patton Boggs UK LLP (Solicitors)
Rutland House, 148 Edmund Street
Birmingham B3 2JR

£ 55

Court fee
Solicitor's Cost
Issue date

The court office at the Senior Courts Costs Office is open between 10.00 am and 4.30 pm, Monday to Friday, when corresponding with the court, please address forms or letters to the Court Manager and quote the claim number.

Claim No.	

Details of claim (continued)
The Defendant has issued and rendered 2 invoices in the total sum of if £9,900 as follows:

(1) Invoice number 2622803, Date: 29th March 2018, amount of £2,700 said to be for professional services provided in respect of financial regulation.

(2) Invoice number: 2624225, dated 25th April 2018, amount: £7,700 said to be for professional services provided in respect of a listing fee agreement.

No detail has been provided as to how these invoices have been calculated and they do not comply with section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors' Bill under the 1974 Solicitors Act. A Final Solicitors' Bill under the Act has been requested from the Defendant for all monies, but it has not been issued and the Defendant has not confirmed that it is willing to issue it despite requests. It appears that the Claimant now requests further solicitors' fees.

The Defendant has made an application to wind up the Claimant on the basis of unpaid invoices for its solicitors' fees. The Defendant has advertised the Winding up Petition in the Gazette and the Hearing is listed on 11th April 2019 in the High Court of Justice under case number CR-2019-001356.

There is doubt as to whether there has ever been and continues a proper and complete retainer between parties.

Statement of Truth
*(~~I believe~~) (The Claimant believes) that the facts stated in these particulars of claim are true.
*I am duly authorised by the Claimant to sign this statement.

Full name .....Raf Demczuk, W LEGAL Ltd.....
Name of Claimant s solicitor's firm W LEGAL Ltd

Signed ..... position or office held ...Member, W Legal Ltd.....
*(~~Claimant~~) (~~Litigation friend~~) (Claimant's solicitor) (if signing on behalf of firm or company)
*delete as appropriate

Claimant's or claimant s solicitor s address to which documents should be sent if different from overleaf. If you are prepared to accept service by DX, fax or e-mail, please add details.

Ref. RD
W LEGAL Ltd
47 Red Lion Street
London, WC1R 4PF

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP
DX No 321801 Leeds 18

T +44 113 284 7000
F +44 113 284 7001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 March 2018

DUPLICATE COPY BILL
We hereby certify that this is a true and correct copy of the original

Our Ref:	Matter Number:	Your Ref:	Bill No:
PA2/PA2	LON.333-0001	Marcin Nawrocki	2622803

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Financial Regulation			
To our charges for professional services in the above matter	450.00		2,250.00
Total	450.00		2,250.00

With Our Compliments

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

For Direct GBP Payment please send to:

Bank:	**Lloyds Bank Plc**
Sort Code:	**30-00-05 Account Number: 00200399**
IBAN:	**GB92LOYD30000500200399**
SWIFT:	**LOYDGB21007**

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Add Disbursements	0.00
Add 20% VAT	450.00
Total	2,700.00
Less Receipts	0.00
Amount Due	2,700.00

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Lexcel Legal Practice Quality Mark Law Society Accredited
INVESTORS IN PEOPLE

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
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London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
With Our Compliments **Total**	1,200.00		6,000.00

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

Add Disbursements	0.00
Add 20% VAT	1,200.00
Total	7,200.00
Less Receipts	0.00
Amount Due	7,200.00

For Direct GBP Payment please send to:

Bank:	**Lloyds Bank Plc**
Sort Code:	**30-00-05**
Account Number:	**00200399**
IBAN:	**GB92LOYD30000500200399**
SWIFT:	**LOYDGB21007**

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Squire Patton Boggs (UK) LLP

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INVESTORS IN PEOPLE

DOCUMENT 5 OF 45

2019-04-08lettertoLondonBlockExchange.pdf

Date: 08 April 2019

Pages: 29

SUMMARY

Document dated 08 April 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
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United Kingdom
DX 708610 Birmingham 17

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F +44 121 222 3001
squirepattonboggs.com

Russ Hill
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DF +44 870 458 2943
russell.hill@squirepb.com

Our ref RH13/LON.333-0001

8 April 2019

By email, post and fax 020 7112 4833

Senior Partner
W Legal Limited
47 Red Lion Street,
London,
WC1R 4PF

Dear Sirs

Your client: London Block Exchange Limited

We refer to the previous correspondence and telephone conversations between our Mr Hill and your Mr Demczuk.

We are very disappointed to have received a copy of the claim form issued in the Senior Courts Costs Office on 4 April 2019 despite our efforts to resolve this matter amicably. For the reasons set out below, we consider your client's application to be misconceived and entirely without merit. Your client's application will be defended vigorously and an order for indemnity costs sought.

Claim form

Engagement

Your claim form states that you are seeking an order to determine whether any terms of a retainer exist between the parties. We have already provided you with copies of our client engagement letter ("CEL") and the matter engagement letters ("MAL"). Your Mr Demczuk suggested that as we did not have a signed version of the CEL, then no retainer exists. With respect, this is trite law. We refer you to the long established cases of *Owen v Ord (1828) 3 C & P 349, Wiggins v Peppin (1839) 2 Beav 403 and Bird v Harris [1881] WN 5, CA.*

Further, and in any event, we refer you to the final paragraph of our CEL which clearly states:

"We would be grateful if you would countersign and return the enclosed copy of this letter, for our records. However, whether or not you do so, the giving of instructions to us by you will signify your acceptance of the terms and conditions set out in this letter, the Standard Terms and the Matter Acknowledgement Letter issued for any individual matter"

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We have previously provided your Mr Demczuk with a long exchange of emails which show that not only were instructions sought but clearly provided by your client and, indeed, invoices agreed and requested for the work undertaken which is clear and unequivocal evidence of an engagement between the parties. We are concerned that your firm have chosen to ignore this correspondence and failed to make reference to it in the application.

By way of further evidence, if such were needed, we also enclose further email exchanges with your client's Marcin Nawrocki. You will note that the first email, dated 15 March 2018, includes the statement:

"We are ok with the price estimate of £2000".

Note Mr Dives is copied in.

The second email dated 20 March 2018 includes the statement:

"A*nd engagement letter – please send over*".

Note again, Mr Dives is copied in.

You will note the file copy engagement letter we have previously provided you (attached again for ease) is dated 21 March 2018, the day after the above written request.

Finally, the third email, also dated 20 March 2018, includes the statement:

"Thank you for your work on this and appreciate the quick turnaround".

Note Mr Dives is, once again, copied in.

In light of the above and the information and documentation previously provided, we find it inconceivable that your client now intends to suggest there was no formal engagement between the parties.

Section 69 Solicitors Act 1974 ("SA74")

Your application states that our invoices do not constitute a final solicitor's bill under SA74.

Firstly we again refer you to the paragraph within our CEL which clearly states:

"Unless we agree differently in writing, we shall be entitled to deliver monthly "interim" bills to you for fees and other charges during the course of a matter, and a "final" bill when the matter is concluded. Unless otherwise stated, all interim bills rendered by us will be interim statute bills. (An interim statute bill is a self-contained bill which is final in nature but covers an interim period)".

Secondly, we have requested on numerous occasions both in writing and verbally from your Mr Demczuk an explanation as to why you contest that our invoices do not comply with S69 SA74 but we note that no explanation has been given nor is one particularised in the application.

The email sending the invoice included a detailed breakdown of time recorded in respect of the invoice and was expressly stated in email correspondence to the "final invoice". We are very concerned that this email exchange has not been referenced or included in your application to Court as we would consider this to be material to the application. For completeness we also enclose a copy of the covering letter sending invoice 2622803 to your client.

We also enclose copy emails from:

- Mr McCleod (then a director) to our Ms Kirk dated 8 January 2019;
- Mr Dives to our Mr Hill dated 14 February 2019;
- Mr Dives to our Mr Hill dated 27 February 2019; and
- Mr Dives to our Mr Hill dated 12 March 2019.

You will note in each occasion your client acknowledged the outstanding invoices and made promises of payment. At no point, until your letter dated 27 March 2019, have your client's sought to challenge either the retainer generally or validity of the invoices. We shall bring the above correspondence to the Court's attention at the earliest opportunity.

In light of the above, given Mr Dives' is now the only director of London Block Exchange Limited and Mr Dives has been either included in, or has sent, the majority of the correspondence referenced above, please confirm who is instructing you at London Block Exchange Limited.

In the circumstances, we require you to immediately file a notice of discontinuance, to avoid all parties incurring further unnecessary costs and wasting valuable Court time in these ill-conceived proceedings.

Please note, in light of your application we will have no alternative but to seek an adjournment of the hearing of the winding up petition on 10 April 2019 to allow this preliminary matter to be dealt with if you do not confirm by return that these proceedings will be withdrawn on the terms set out above.

We look forward to hearing from you by return.

Yours faithfully

Squire Patton Boggs (UK) LLP

Squire Patton Boggs (UK) LLP

Hill, Russell

From: Overend, Andrew
Sent: 15 March 2018 16:56
To: Anderson, Paul; Woodfine, Christopher
Subject: FW: LBX Custody - Draft Agreement
Attachments: 1a. LBX Custody RBP - FINAL.docx; 2. mifid-annex-form 120118.docx; FCA Questions 06.docx; FCA Questions 01.docx

Please see below

From: Marcin Nawrocki [mailto:marcin.nawrocki@londonblockexchange.com]
Sent: 15 March 2018 16:49
To: Overend, Andrew <andrew.overend@squirepb.com>
Cc: Benjamin Dives <benjamin@londonblockexchange.com>; Adam Bryant <adam.bryant@londonblockexchange.com>
Subject: Re: LBX Custody - Draft Agreement

Andrew (and please forward to your colleagues).
Please go ahead with preparations of the agreement and lets aim for Monday COB / Tuesday draft so we can send to FCA on Tuesday.
We are ok with the price estimate of £2000.
Can I also please confirm that should there be questions from FCA on the T&Cs you will be able to help us to address these questions.

I am attaching:

[1] regulatory business plan
[2] mifid annex
[3] previous responses to FCA that add more content to the business plan (FCA Questions 06)
[4] draft responses to current set of questions that include the request for T&Cs (FCA Questions 01). We are now responding to *Question 8*.

If you have any more questions let me know please.

Kind regards,

Marcin.

From: "Overend, Andrew" <andrew.overend@squirepb.com>
Date: Thursday, 15 March 2018 at 15:35
To: Marcin Nawrocki <mnawrocki00@gmail.com>
Cc: Benjamin Dives <benjamin@londonblockexchange.com>, Adam Bryant <adam.bryant@londonblockexchange.com>
Subject: RE: LBX Custody - Draft Agreement

Marcin

Just awaiting a response from my colleagues – it is likely they will need to have a quick call with you to understand more fully what is required etc – could you confirm your availability please this afternoon?

Thanks

Andrew

From: Marcin Nawrocki [mailto:mnawrocki00@gmail.com]
Sent: 15 March 2018 15:32
To: Overend, Andrew <andrew.overend@squirepb.com>
Cc: Benjamin Dives <benjamin@londonblockexchange.com>; Adam Bryant <adam.bryant@londonblockexchange.com>
Subject: Re: LBX Custody - Draft Agreement

Hi Andrew – I was wondering if you have an update for us whether SPB could help us with the drafting.

Kind regards,

Marcin.

From: Marcin Nawrocki <mnawrocki00@gmail.com>
Date: Wednesday, 14 March 2018 at 15:31
To: "Overend, Andrew" <andrew.overend@squirepb.com>
Cc: Benjamin Dives <benjamin@londonblockexchange.com>, Adam Bryant <adam.bryant@londonblockexchange.com>
Subject: Re: LBX Custody - Draft Agreement

Thank you, Andrew, for the update.
Let's speak tomorrow.

From: "Overend, Andrew" <andrew.overend@squirepb.com>
Date: Wednesday, 14 March 2018 at 15:23
To: Marcin Nawrocki <mnawrocki00@gmail.com>
Cc: Benjamin Dives <benjamin@londonblockexchange.com>, Adam Bryant <adam.bryant@londonblockexchange.com>
Subject: RE: LBX Custody - Draft Agreement

Hi Marcin

Thank you for your call and emails. I will try and speak to the relevant colleague here at SPB asap but I am closing a deal presently so I cannot make any promises at this time regarding whether SPB can accept LBX as a client and timescales for this work.

I will revert later today or tomorrow morning regarding whether I think SPB will be able to help here.

Thank you.

Kind regards

Andrew

SQUIRE PATTON BOGGS
Andrew Overend
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O +44 20 7655 1000

F +44 870 460 2735
M +44 780 922 9583
andrew.overend@squirepb.com | squirepattonboggs.com

From: Marcin Nawrocki [mailto:mnawrocki00@gmail.com]
Sent: 13 March 2018 13:50
To: Overend, Andrew <andrew.overend@squirepb.com>
Cc: Benjamin Dives <benjamin@londonblockexchange.com>; Adam Bryant <adam.bryant@londonblockexchange.com>
Subject: LBX Custody - Draft Agreement

Hi Andrew,

It was nice talking to you. As explained, we are after a draft custody agreement between LBX Custody (our entity) and professional investors that will be customers of us.
It is part of the FCA application so it will be sent to the officer reviewing our application. It is ok to be early draft with a lot of moving parts / options.

This is basically to be able to respond to this question: *Please provide a copy of the Firm's terms and conditions in relation to the holding of client money/assets.*

Having done a bit of google work there are few examples I came across. This **Kin Capital looks most promising to me**. There other two are non-English law. We are relatively indifferent with regards to the content – we want to offer the market standard terms that meet FCA requirements.

Deadline for this is next Wednesday. (or ideally this Friday). Next Wednesday is absolute hard deadline for us to respond. We can however respond that drafts will be provided as soon as feasible if you think it can take a bit longer and then send them T&Cs as soon as available. So please ask your colleague if there is a capacity to help us. Apologies for leaving you short lead time but I though Ben has already reached out to you last Friday...

I am also deferring directly to Ben with regards to billing etc.

Many thanks,

Marcin Nawrocki, CFA

+44 792 0703 819
+44 20 3322 1233

@LBXSocial
Level 39
One Canada Square
Canary Wharf
London E14 5AB

LONDON
BLOCK
EXCHANGE

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47 Offices in 20 Countries

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#UK

Hill, Russell

From: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>
Sent: 20 March 2018 12:06
To: Anderson, Paul; Benjamin Dives; Adam Bryant; Woodfine, Christopher
Cc: Overend, Andrew
Subject: Re: Draft Custody Agreement
Attachments: Draft LBX Custody T&Cs mn.docx

Paul and Chris – and in addition small mark-up form my side:

- Removed reference to the Web Portal being owned by us. We will go with outsourced white label product first
- Added our website www.lbxcustody.com
- Removed reference to FA, we will just have direct customers no Financial Advisors.

Rest looks good.
If you confirm that Nominee is a standard solution then let's just add the GDPR footnote and send me final draft version please so we all have the same doc on records.
We actually got email from FCA to send them things today as he is going on holidays so perfect timing.

And engagement letter – please send over.

From: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>
Date: Tuesday, 20 March 2018 at 11:11
To: "Anderson, Paul" <paul.anderson@squirepb.com>, Benjamin Dives <benjamin@londonblockexchange.com>, Adam Bryant <adam.bryant@londonblockexchange.com>
Cc: "Woodfine, Christopher" <christopher.woodfine@squirepb.com>, "Overend, Andrew" <andrew.overend@squirepb.com>
Subject: Re: Draft Custody Agreement

Hi Paul,

Thank you for this, apologies I was away yesterday.
See below my comments in BOLD.

From: "Anderson, Paul" <paul.anderson@squirepb.com>
Date: Monday, 19 March 2018 at 19:37
To: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>, Benjamin Dives <benjamin@londonblockexchange.com>, Adam Bryant <adam.bryant@londonblockexchange.com>
Cc: "Woodfine, Christopher" <christopher.woodfine@squirepb.com>, "Overend, Andrew" <andrew.overend@squirepb.com>
Subject: Draft Custody Agreement

Dear Marcin

Please find attached draft T&Cs covering custody services provided by LBX Custody. This is very much a base document containing relevant provisions to comply with CASS client money and custody rules but is sufficient to send to the FCA at this stage.

Please note we have the following comments prior to finalizing this into an appropriate set of terms for use with clients:

- Is there an intention for LBX to use any of the client's custody assets (i.e for securities lending)? There are specific disclosures / consents for securities lending. NO, WE WILL NOT LEND.
- We have included reference to a nominee assuming LBX intend to hold client assets via a nominee? DO YOU KNOW WHY THERE IS A NEED FOR NOMINEE AND IS IT STANDARD? I DON'T THINK THERE IS ANY CLARIFTY FROM OUR SIDE ON INTENTION / OBJECTION TO USE IT, HOWEVER WE JUST HAVE NOW ONE COMPANY LBX CUSTODY SO NEED TO UNDERSTAND RATIONALE FOR THIS.
- We have included wording on dormant accounts in 15.7. There are FCA rules that enable custodians to pay away amounts under a certain threshold (£100 for professional clients) to charity. OK. HOWEVER, WE AIM TO TARGET INSTITUTIONAL ACCOUNTS ONLY WITH £10M+, SO I RECKON IF THIS BALANCE DROPS I WILL BE ABLE TO FORCE CLIENTS TO CLOSE / ENCOURAGE THEM TO CLOSE?
- Intellectual Property- we will need to tweak this section before it is sent to clients to ensure it covers any IP protection relevant to your business (e.g. any trademarks, licences). PERFECT THANK YOU.
- Data Protection - this section will need to be reviewed to ensure it complies with the General Data Protection Regulation ("GDPR") which is coming in to force in May this year. PERFECT, COULD WE ADD A FOOTNOTE THAT IT WILL BE REVIEWED ONCE THE GDPR KICKS IN.

I have not managed to put my ink signature on the engagement letter but that will follow in the morning. I am out in the morning but Chris is around so if you have any immediate questions he is around.

Kind regards
Paul

SQUIRE PATTON BOGGS

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Partner
Squire Patton Boggs (UK) LLP
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LS1 4AP
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O +44 113 284 7000
F +44 870 458 2393
M +44 792 140 6759
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SQUIRE PATTON BOGGS

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#UK

Hill, Russell

From: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>
Sent: 20 March 2018 19:56
To: Woodfine, Christopher; Anderson, Paul; Benjamin Dives; Adam Bryant
Cc: Overend, Andrew
Subject: Re: Draft Custody Agreement [I-EUR.FID9007093]

Thank you Chris, this is perfect.
We have responded to the FCA.
Thank you for your work on this and appreciate the quick turnaround.

Kind regards,

Marcin.

From: "Woodfine, Christopher" <christopher.woodfine@squirepb.com>
Date: Tuesday, 20 March 2018 at 14:56
To: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>, "Anderson, Paul" <paul.anderson@squirepb.com>, Benjamin Dives <benjamin@londonblockexchange.com>, Adam Bryant <adam.bryant@londonblockexchange.com>
Cc: "Overend, Andrew" <andrew.overend@squirepb.com>
Subject: Draft Custody Agreement [I-EUR.FID9007093]

Marcin

Please find attached an updated T&Cs.

KR

Chris

SQUIRE PATTON BOGGS
Christopher J. Woodfine
Associate
Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH
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T +44 207 655 1065
O +44 20 7655 1000
F +44 870 460 3426
M +44 773 445 9713
M Mobex 25 10
christopher.woodfine@squirepb.com | squirepattonboggs.com

From: Marcin Nawrocki [mailto:marcin.nawrocki@londonblockexchange.com]
Sent: 20 March 2018 13:37
To: Anderson, Paul <paul.anderson@squirepb.com>; Woodfine, Christopher <christopher.woodfine@squirepb.com>; Benjamin Dives <benjamin@londonblockexchange.com>; Adam Bryant <adam.bryant@londonblockexchange.com>

Cc: Overend, Andrew <andrew.overend@squirepb.com>
Subject: Re: Draft Custody Agreement

Thank you Paul

I actually just called Christopher. Let's keep the Nominee, I now understand the logic for having it based on call with him and your email.

From: "Anderson, Paul" <paul.anderson@squirepb.com>
Date: Tuesday, 20 March 2018 at 13:33
To: "Woodfine, Christopher" <christopher.woodfine@squirepb.com>, Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>, Benjamin Dives <benjamin@londonblockexchange.com>, Adam Bryant <adam.bryant@londonblockexchange.com>
Cc: "Overend, Andrew" <andrew.overend@squirepb.com>
Subject: RE: Draft Custody Agreement

I will send the engagement letter too. In response to your questions:

- We have included reference to a nominee assuming LBX intend to hold client assets via a nominee? DO YOU KNOW WHY THERE IS A NEED FOR NOMINEE AND IS IT STANDARD? I DON'T THINK THERE IS ANY CLARIFTY FROM OUR SIDE ON INTENTION / OBJECTION TO USE IT, HOWEVER WE JUST HAVE NOW ONE COMPANY LBX CUSTODY SO NEED TO UNDERSTAND RATIONALE FOR THIS. I think you should leave it in – it is normal for assets to be held through a nominee company. A nominee is a company that has no employees and simply holds the assets for the beneficial owners. It is very common to use a nominee to hold assets because the alternatives may be either unavailable or administratively difficult – e.g. sometimes assets are held in central registers (e.g. euroclear, CREST) but if that is not available you do not want to hold them in the name of each individual client (because of the admin), you don't want to hold as LBX Custody Ltd itself because the assets would be on its balance sheet, so you use a nominee. The nominee never goes bust because it is purely a nominee for holding the assets – as such, it does not need to be FCA regulated. There is a specific exclusion which ensures nominee companies are excluded from regulation under the Financial Services and Markets Act 2000.
- We have included wording on dormant accounts in 15.7. There are FCA rules that enable custodians to pay away amounts under a certain threshold (£100 for professional clients) to charity. OK. HOWEVER, WE AIM TO TARGET INSTITUTIONAL ACCOUNTS ONLY WITH £10M+, SO I RECKON IF THIS BALANCE DROPS I WILL BE ABLE TO FORCE CLIENTS TO CLOSE / ENCOURAGE THEM TO CLOSE? Yes agreed
- Intellectual Property- we will need to tweak this section before it is sent to clients to ensure it covers any IP protection relevant to your business (e.g. any trademarks, licences). PERFECT THANK YOU. Therefore, you just need to be aware that this is parked for now – you should have a think about any IPRs that you have and whether you protect them now
- Data Protection - this section will need to be reviewed to ensure it complies with the General Data Protection Regulation ("GDPR") which is coming in to force in May this year. PERFECT, COULD WE ADD A FOOTNOTE THAT IT WILL BE REVIEWED ONCE THE GDPR KICKS IN. Yes agreed

---

From: Woodfine, Christopher
Sent: 20 March 2018 13:26
To: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>; Anderson, Paul <paul.anderson@squirepb.com>; Benjamin Dives <benjamin@londonblockexchange.com>; Adam Bryant <adam.bryant@londonblockexchange.com>
Cc: Overend, Andrew <andrew.overend@squirepb.com>
Subject: RE: Draft Custody Agreement

Marcin

We will make the changes you suggest and revert with a revised T&Cs shortly.

KR

Chris

SQUIRE PATTON BOGGS

Christopher J. Woodfine
Associate
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7 Devonshire Square
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EC2M 4YH
England

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O +44 20 7655 1000
F +44 870 460 3426
M +44 773 445 9713
M Mobex 25 10

christopher.woodfine@squirepb.com | squirepattonboggs.com

From: Marcin Nawrocki [mailto:marcin.nawrocki@londonblockexchange.com]
Sent: 20 March 2018 12:06
To: Anderson, Paul <paul.anderson@squirepb.com>; Benjamin Dives <benjamin@londonblockexchange.com>; Adam Bryant <adam.bryant@londonblockexchange.com>; Woodfine, Christopher <christopher.woodfine@squirepb.com>
Cc: Overend, Andrew <andrew.overend@squirepb.com>
Subject: Re: Draft Custody Agreement

Paul and Chris – and in addition small mark-up form my side:

- Removed reference to the Web Portal being owned by us. We will go with outsourced white label product first
- Added our website www.lbxcustody.com
- Removed reference to FA, we will just have direct customers no Financial Advisors.

Rest looks good.
If you confirm that Nominee is a standard solution then let's just add the GDPR footnote and send me final draft version please so we all have the same doc on records.
We actually got email from FCA to send them things today as he is going on holidays so perfect timing.

And engagement letter – please send over.

From: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>
Date: Tuesday, 20 March 2018 at 11:11
To: "Anderson, Paul" <paul.anderson@squirepb.com>, Benjamin Dives <benjamin@londonblockexchange.com>, Adam Bryant <adam.bryant@londonblockexchange.com>
Cc: "Woodfine, Christopher" <christopher.woodfine@squirepb.com>, "Overend, Andrew" <andrew.overend@squirepb.com>
Subject: Re: Draft Custody Agreement

Hi Paul,

Thank you for this, apologies I was away yesterday.

See below my comments in BOLD.

From: "Anderson, Paul" <paul.anderson@squirepb.com>
Date: Monday, 19 March 2018 at 19:37
To: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>, Benjamin Dives <benjamin@londonblockexchange.com>, Adam Bryant <adam.bryant@londonblockexchange.com>
Cc: "Woodfine, Christopher" <christopher.woodfine@squirepb.com>, "Overend, Andrew" <andrew.overend@squirepb.com>
Subject: Draft Custody Agreement

Dear Marcin

Please find attached draft T&Cs covering custody services provided by LBX Custody. This is very much a base document containing relevant provisions to comply with CASS client money and custody rules but is sufficient to send to the FCA at this stage.

Please note we have the following comments prior to finalizing this into an appropriate set of terms for use with clients:

- Is there an intention for LBX to use any of the client's custody assets (i.e for securities lending)? There are specific disclosures / consents for securities lending. NO, WE WILL NOT LEND.
- We have included reference to a nominee assuming LBX intend to hold client assets via a nominee? DO YOU KNOW WHY THERE IS A NEED FOR NOMINEE AND IS IT STANDARD? I DON'T THINK THERE IS ANY CLARIFTY FROM OUR SIDE ON INTENTION / OBJECTION TO USE IT, HOWEVER WE JUST HAVE NOW ONE COMPANY LBX CUSTODY SO NEED TO UNDERSTAND RATIONALE FOR THIS.
- We have included wording on dormant accounts in 15.7. There are FCA rules that enable custodians to pay away amounts under a certain threshold (£100 for professional clients) to charity. OK. HOWEVER, WE AIM TO TARGET INSTITUTIONAL ACCOUNTS ONLY WITH £10M+, SO I RECKON IF THIS BALANCE DROPS I WILL BE ABLE TO FORCE CLIENTS TO CLOSE / ENCOURAGE THEM TO CLOSE?
- Intellectual Property- we will need to tweak this section before it is sent to clients to ensure it covers any IP protection relevant to your business (e.g. any trademarks, licences). PERFECT THANK YOU.
- Data Protection - this section will need to be reviewed to ensure it complies with the General Data Protection Regulation ("GDPR") which is coming in to force in May this year. PERFECT, COULD WE ADD A FOOTNOTE THAT IT WILL BE REVIEWED ONCE THE GDPR KICKS IN.

I have not managed to put my ink signature on the engagement letter but that will follow in the morning. I am out in the morning but Chris is around so if you have any immediate questions he is around.

Kind regards
Paul

SQUIRE PATTON BOGGS

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Partner
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O +44 113 284 7000
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paul.anderson@squirepb.com | squirepattonboggs.com

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Associate
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7 Devonshire Square
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EC2M 4YH
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F +44 870 460 3426
M +44 773 445 9713
M Mobex 25 10
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paul.anderson@squirepb.com

Our ref PA2/LON.333-1

21 March 2018

Marcin Nawrocki
London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

Dear Marcin

Engagement Letter: London Block Exchange Ltd

Within this letter, "you" and "your" refer to our client to whom this is addressed, and "Squire Patton Boggs", "we", "us" and "our" refer to Squire Patton Boggs (UK) LLP.

This Engagement Letter, our Standard Terms and Conditions of Engagement ("Standard Terms", a copy of which is enclosed) and the Matter Acknowledgement Letter which we will issue for each individual matter on which you instruct us, set out the terms and conditions on which we will provide legal services to you (unless we have agreed, or later agree, differently in writing).

Our client

London Block Exchange Ltd is our client, and we will accept instructions only from, and communicate our advice only to you, Ben Dives and Adam Bryant unless we agree differently in writing. This is important to preserve "legal advice privilege" for your benefit.

Our team

I am your relationship partner within Squire Patton Boggs. However, the lawyers who will work on individual matters for you will be set out in the Matter Acknowledgement Letter in each case.

Our fees and charges

Unless we agree differently in writing (for example, in the relevant Matter Acknowledgement Letter), we charge fees for our services by reference to hourly rates, which can vary from time to time and are reviewed each year. We may also make other charges to you, for example, to recover expenses which we have incurred in acting for you or in respect of

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ancillary support services. Both our fees and such charges will normally be subject to Value Added Tax (VAT) at the applicable rate.

Unless we agree differently in writing, we shall be entitled to deliver monthly "interim" bills to you for fees and other charges during the course of a matter, and a "final" bill when the matter is concluded. Unless otherwise stated, all interim bills rendered by us will be interim statute bills. (An interim statute bill is a self-contained bill which is final in nature but covers an interim period). We may also deliver bills to you for other charges at any time after they have been incurred (which may be after the legal work on a matter has been concluded, and may therefore be after the "final" bill).

Our bills are payable within 14 days after the date of issue. We reserve the right to terminate all our obligations to provide legal services to you if any bill is not paid by the due date. In that case, we may be entitled to retain information and documents which we might otherwise have been obliged to surrender to you, until our bills are paid. Please note that your rights to challenge our bills are limited in time, pursuant to both our Standard Terms and also applicable laws.

You should be aware that in certain circumstances you may become legally obliged to pay the legal services costs which third parties have incurred. Please refer to the section headed "Costs in litigation and other proceedings" in the Standard Terms.

Limitation of liability

Unless we agree differently in writing, our liability to you in respect of the performance of our services will be limited, for each matter on which you instruct us, in the manner set out in the section headed "Limitation of liability" in the Standard Terms.

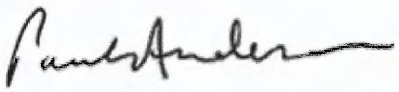
Complaints

Please feel free to raise complaints or concerns, in respect of any matter on which you instruct us or in respect of any bill, with me as your relationship partner; or you may choose to instigate our formal complaints handling procedure, details of which are contained in the section headed "Authorisation and complaints" in the Standard Terms. You may be eligible to take your complaint to the Legal Ombudsman; full details of which categories of person may do so, and the strict time limits applicable to that procedure, are also contained in that section.

Acceptance of terms

We would be grateful if you would countersign and return the enclosed copy of this letter, for our records. However, whether or not you do so, the giving of instructions to us by you will signify your acceptance of the terms and conditions set out in this letter, the Standard Terms and the Matter Acknowledgement Letter issued for any individual matter.

Yours sincerely



Paul Anderson
Partner
For Squire Patton Boggs (UK) LLP

.....
Signature of individual client to whom this letter is addressed

.....
Date of countersignature

Enc: Standard Terms and Conditions of Engagement

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Paul Anderson
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DF +44 870 458 2393
paul.anderson@squirepb.com

5 April 2018

Marcin Nawrocki
London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

Dear Marcin

Financial Regulation / Custody

Further to our recent exchange of emails, please find enclosed our invoice in respect of the above matter.

I trust this is in order.

Kind regards

Yours sincerely

Paul Anderson
Partner
For Squire Patton Boggs (UK) LLP

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Hill, Russell

From: Kirk, Claire
Sent: 08 April 2019 14:55
To: Hill, Russell
Subject: FW: LON.333 - London Block Exchange Ltd - Unpaid Bills

---

From: Jono McLeod <jono.mcleod@londonblockexchange.com>
Sent: 08 January 2019 15:25
To: Kirk, Claire <Claire.Kirk@squirepb.com>
Cc: Morton, Jenny <jenny.morton@squirepb.com>; Persico, Matthew <matthew.persico@squirepb.com>; Benjamin Dives <benjamin@londonblockexchange.com>; Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>; LBX Accounts <accounts@londonblockexchange.com>
Subject: [EXT] RE: LON.333 - London Block Exchange Ltd - Unpaid Bills

Good afternoon Claire,

I would like to apologise for the delay in repaying these invoices, we are currently managing our cashflow to repay our creditors in as timely a manner as possible.

Would it be possible to arrange for the initial 2700.00 to be repaid at the end of this month?

Thank you for your consideration,
Jono

From: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>
Sent: 08 January 2019 13:58
To: Kirk, Claire <Claire.Kirk@squirepb.com>; LBX Accounts <accounts@londonblockexchange.com>; Benjamin Dives <benjamin@londonblockexchange.com>; Jono McLeod <jono.mcleod@londonblockexchange.com>
Cc: Morton, Jenny <jenny.morton@squirepb.com>; Persico, Matthew <matthew.persico@squirepb.com>
Subject: Re: LON.333 - London Block Exchange Ltd - Unpaid Bills

Hi Claire,

I am forwarding this to our accounts team and Benjamin Dives and Jono McLeod.
I really do not have any update as this is not in my hands.

Regards,

Marcin Nawrocki.

From: "Kirk, Claire" <Claire.Kirk@squirepb.com>
Date: Tuesday, 8 January 2019 at 13:55
To: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>
Cc: "Morton, Jenny" <jenny.morton@squirepb.com>, "Persico, Matthew" <matthew.persico@squirepb.com>
Subject: LON.333 - London Block Exchange Ltd - Unpaid Bills

Good afternoon Marcin,

Please can you provide an update on the unpaid bills below that are now extremely overdue:

Client Name	Payer No	Matter No	Matter Description	Bill No	Bill Date	Days Overdue	Bill Amount
London Block Exchange Ltd	LON.333	LON.333-0001	Financial Regulation	2622803	29/03/2018	271	£2,700.00
London Block Exchange Ltd	LON.333	LON.333-0002	Listing Fee Agreement	2624225	25/04/2018	244	£7,200.00

I can see you have been liaising with my colleagues Jenny Morton & Matthew Persico in the past about these but we haven't received a payment or correspondence from your finance team.

Please can you send me their direct dial so I can discuss?

Kind regards
Claire

SQUIRE PATTON BOGGS

Claire Kirk
Credit Controller
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TheBusinessDesk.com
Masters Winner
Yorkshire Business Masters Awards 2018
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Hill, Russell

From: Benjamin Dives <benjamin@londonblockexchange.com>
Sent: 14 February 2019 09:24
To: Hill, Russell
Cc: jono.mcleod@londonblockexchange.com
Subject: [EXT] Re: Squire Patton Boggs - Invoices - URGENT

Hi Russell

Thanks for your messages. I've just got back from Zurich from a very good meeting with a bank who want to use our platform. This can then trigger a convertible loan to start paying you back. I'd also like to meet the resolve people too - is that something you can set up for next week?

Best

Benjamin

On Thu, 14 Feb 2019 at 09:22, Hill, Russell <russell.hill@squirepb.com> wrote:

> Dear Benjamin
>
> Further to our meeting last week, in the absence of any response to my previous emails, please find attached a final demand letter for payment of our outstanding invoices.
>
> Please can you confirm when payment has been made.
>
> Yours sincerely
>
> SQUIRE PATTON BOGGS
> Russ Hill
> Partner
> Squire Patton Boggs (UK) LLP
> Rutland House
> 148 Edmund Street
> Birmingham
> B3 2JR
> England
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#UK

Hill, Russell

From: Benjamin Dives <benjamin@londonblockexchange.com>
Sent: 27 February 2019 10:21
To: Hill, Russell
Subject: [EXT] Re: Re: Squire Patton Boggs - Invoices - URGENT

Hi Riussell

Yes I have been advised you have taken the actions to file a draft winding up as we have been contacted.

Just to let you know we will clear the balance by 1st March.

Many thanks and appreciate your patience.

Benjamin

On Wed, 27 Feb 2019 at 09:53, Hill, Russell <russell.hill@squirepb.com> wrote:

> Dear Benjamin
>
> Further to my email below to which I have received no response, for your information please find attached a copy of a winding up petition issued against London Block Exchange Limited. The petition is listed for hearing at 10:30am on the 10 April 2019.
>
> We will be formally serving the company with the petition shortly and thereafter advertising it in accordance with the Insolvency Rules.
>
> Yours sincerely.
>
> SQUIRE PATTON BOGGS
>
> Russ Hill
> Partner
> Squire Patton Boggs (UK) LLP
> Rutland House
> 148 Edmund Street
> Birmingham
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russ.hill@squirepb.com | squirepattonboggs.com

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From: Hill, Russell
Sent: 18 February 2019 16:10
To: 'Benjamin Dives' <benjamin@londonblockexchange.com>
Cc: 'jono.mcleod@londonblockexchange.com' <jono.mcleod@londonblockexchange.com>
Subject: RE: [EXT] Re: Squire Patton Boggs - Invoices - URGENT

Hi Benjamin

I note I've not heard from you further in response to my email below and we do not appear to have received payment. If you have made payment, please can you let me know urgently to avoid any further action.

Kind regards

SQUIRE PATTON BOGGS

Russ Hill

Partner

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F +44 870 460 3015

M Mobex 25 3132

russ.hill@squirepb.com | squirepattonboggs.com

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From: Hill, Russell

Sent: 14 February 2019 09:31
To: Benjamin Dives <benjamin@londonblockexchange.com>
Cc: jono.mcleod@londonblockexchange.com
Subject: RE: [EXT] Re: Squire Patton Boggs - Invoices - URGENT

Hi Benjamin

I'm glad your meetings went well. Chris Farrington at Resolve's contact number is 07775215697, feel free to give him a call however we'll still need the invoices paid as a matter of urgency please.

Kind regards

SQUIRE PATTON BOGGS

Russ Hill

Partner

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russ.hill@squirepb.com | squirepattonboggs.com

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From: Benjamin Dives <benjamin@londonblockexchange.com>
Sent: 14 February 2019 09:24
To: Hill, Russell <russell.hill@squirepb.com>
Cc: jono.mcleod@londonblockexchange.com
Subject: [EXT] Re: Squire Patton Boggs - Invoices - URGENT

Hi Russell

Thanks for your messages. I've just got back from Zurich from a very good meeting with a bank who want to use our platform. This can then trigger a convertible loan to start paying you back. I'd also like to meet the resolve people too - is that something you can set up for next week?

Best

Benjamin

On Thu, 14 Feb 2019 at 09:22, Hill, Russell <russell.hill@squirepb.com> wrote:

> Dear Benjamin
>
> Further to our meeting last week, in the absence of any response to my previous emails, please find attached a final demand letter for payment of our outstanding invoices.

Please can you confirm when payment has been made.

Yours sincerely

SQUIRE PATTON BOGGS

Russ Hill

Partner

Squire Patton Boggs (UK) LLP

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Hill, Russell

From: Benjamin Dives <benjamin@londonblockexchange.com>
Sent: 12 March 2019 17:15
To: Thomas, Rory
Cc: Hill, Russell; Ward-Jones, Oliver
Subject: [EXT] Re: [I-EUR.FID9197139] Re: Re: Re: Re: Squire Patton Boggs - Invoices - URGENT

Hi Russ

Just to let you know someone from Johnny Sandelson's office is hoping to get in touch to settle the balance today.

His name is Paul Collett.

Best

Benjamin

On Tue, 5 Mar 2019 at 12:26, <benjamin@londonblockexchange.com> wrote:

> Hello Rory and Oliver
>
> Good to speak with you yesterday.
>
> Please can you provide a settlement figure as per Russell's email below?
>
> Many thanks
>
> Benjamin
>
> ---
>
> **From:** Thomas, Rory <rory.thomas@squirepb.com>
> **Sent:** 04 March 2019 11:33
> **To:** Benjamin Dives <benjamin@londonblockexchange.com>
> **Cc:** Ward-Jones, Oliver <oliver.ward-jones@squirepb.com>; Hill, Russell <russell.hill@squirepb.com>
>
> ---
>
> **Subject:** RE: [I-EUR.FID9197139] Re: Re: Re: Re: Squire Patton Boggs - Invoices - URGENT
>
> Good Morning Benjamin

DOCUMENT 6 OF 45

2019-04-09ApplicationNoticeATTACHMENT23.01.20(dragged).pdf

Date: 09 April 2019

Pages: 36

SUMMARY

Document dated 09 April 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

Respondent
B.Dives
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE **Case no: CR2019-001-356**

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

STATEMENT OF BENJAMIN DIVES

---

1. I am the Director of the Respondent I am authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. The Respondent is a limited company that is a payments services institution. It holds client money for individuals and business who wish to transact on the Internet. It employs 10 people and I am the only Director of the Respondent. The Respondent Company is registered with the Financial Conduct Authority and has suffered reputational damage as a result of the Applicant's advertisement of the Winding Up in the Gazette. The Respondent's turnover per year is approximately £500,000.

3. In the Petition, the Applicant wishes to wind up the Respondent on the basis of 2 interim request for payments. The Applicant is a Firm of Solicitors and is governed by the rules on solicitors bills as per the 1974 Solicitors' Act. These rules are in place to protect consumers of solicitors' services. It is the Respondent's case that the Applicant has not adhered to those rules and has not issued nor delivered its Final Bill of Costs under Statute.

4. The Applicant has not it issued a money claim but has instead issued the Winding Up proceedings. As a result, the Respondent has exercised its right and issued an Application at the Senior Courts Costs Office for the delivery of the Solicitors Final Bill of Costs and thereafter for the assessment of the solicitors' fees by a Costs Master. That issued Application was served on the Applicant and additionally filed with the High Court in these proceedings on 4th April 2019. Prior to that date, the Respondent requested a Final Bill of Solicitors Costs from the Applicant, but the Applicant has not provided one to date and the Respondent has had no choice but to make its Application to the Senior Courts Costs Office. A copy of the Respondent's Application is enclosed herewith as **Exhibit BD/1** together with the Applicant's advertisement in the Gazette.

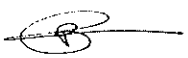
5. The Respondent apologises for the late filing of this Witness Statement but a telephone hearing took place today at 12:30pm, at short notice, and in light of the listing of the Winding Up Petition, at the Senior Courts Costs in front of Master Rowley. As **Exhibit BD/2** I enclose a Draft Order that followed, prepared by my costs lawyer and sent to the Applicant for its agreement. The Respondent has also requested the Senior Courts Costs Office to adjudicate on the issue as to whether there has ever been a Retainer between the Applicant and the Respondent. It is the Respondent's position that no Letter of Engagement has been signed by a Director of the Respondent. It is the Respondent's position that there was no Retainer between the Applicant and the Respondent.

6. The 2-interim request for payment forming the basis of the Applicant's Petition are disputed and are considered to have been incorrectly issued. They do not contain the necessary information that would enable the Respondent to seek professional advice as to whether the charges applied are correct and proportionate. In their current format they do not give raise to solicitors' fees. Nevertheless, the Respondent's investor has placed £13,000 with the Applicant.

7. The Respondent respectfully requests that the Petition be dismissed.

STATEMENT OF TRUTH

I believe that facts stated in this Witness Statement are true.



Benjamin Dives

9th April 2019

Respondent
B.Davies
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE **Case no: CR2019-001-356**

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

EXHIBIT BD/1

TO

WITNESS STATEMENT OF
BENJAMIN DAVIES

SCHEDULE OF COSTS PRECEDENTS
PRECEDENT J

Claim No	

IN THE HIGH COURT OF JUSTICE

SENIOR COURTS COSTS OFFICE

IN THE MATTER OF Squire Patton Boggs UK LLP (Solicitors)

Claimant: LONDON BLOCK EXCHNAGE LTD

Defendant: SQUIRE PATTON BOGGS UK LLP (SOLICITORS)

SEAL

CLAIM FORM (CPR Part 8)

Details of claim (see also overleaf)

The following Orders are applied for:

(1) An Order for a Hearing to be fixed to determine whether any terms of a retainer exist between parties.

(2) An Order in standard form for the delivery of Bill of Costs in all cases and matters, if any such a retainer exists between parties in which the Defendant has acted for the Claimant.

(3) An Order that the Winding up Petition issued and advertised by the Defendant be stayed and or be dismissed pending the outcome of these proceedings.

(4) An order dealing with the costs of this application

Defendant s name and address:

Squire Patton Boggs UK LLP (Solicitors)
Rutland House, 148 Edmund Street
Birmingham B3 2JR

£ 55

Court fee
Solicitor's Cost
Issue date

The court office at the Senior Courts Costs Office is open between 10.00 am and 4.30 pm, Monday to Friday, when corresponding with the court, please address forms or letters to the Court Manager and quote the claim number.

Claim No.	

Details of claim (continued)
The Defendant has issued and rendered 2 invoices in the total sum of if £9,900 as follows:

(1) Invoice number 2622803, Date: 29th March 2018, amount of £2,700 said to be for professional services provided in respect of financial regulation.

(2) Invoice number: 2624225, dated 25th April 2018, amount: £7,700 said to be for professional services provided in respect of a listing fee agreement.

No detail has been provided as to how these invoices have been calculated and they do not comply with section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors' Bill under the 1974 Solicitors Act. A Final Solicitors' Bill under the Act has been requested from the Defendant for all monies, but it has not been issued and the Defendant has not confirmed that it is willing to issue it despite requests. It appears that the Claimant now requests further solicitors' fees.

The Defendant has made an application to wind up the Claimant on the basis of unpaid invoices for its solicitors' fees. The Defendant has advertised the Winding up Petition in the Gazette and the Hearing is listed on 11th April 2019 in the High Court of Justice under case number CR-2019-001356.

There is doubt as to whether there has ever been and continues a proper and complete retainer between parties.

Statement of Truth
*(~~I believe~~) (The Claimant believes) that the facts stated in these particulars of claim are true.
*I am duly authorised by the Claimant to sign this statement.

Full name .....Raf Demczuk, W LEGAL Ltd.....
Name of Claimant s solicitor's firm W LEGAL Ltd

Signed ..... position or office held ...Member, W Legal Ltd.....
*(~~Claimant~~) (~~Litigation friend~~) (Claimant's solicitor) (if signing on behalf of firm or company)
*delete as appropriate

Claimant's or claimant s solicitor s address to which documents should be sent if different from overleaf. If you are prepared to accept service by DX, fax or e-mail, please add details.

Ref. RD
W LEGAL Ltd
47 Red Lion Street
London, WC1R 4PF

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP
DX No 321801 Leeds 18

T +44 113 284 7000
F +44 113 284 7001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 March 2018

FULL COPY
We have a certified copy of this document on file

Our Ref:	Matter Number:	Your Ref:	Bill No:
PA2/PA2	LON.333-0001	Marcin Nawrocki	2622803

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Financial Regulation			
To our charges for professional services in the above matter	450.00		2,250.00
Total	450.00		2,250.00

With Our Compliments

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

Add Disbursements	0.00
Add 20% VAT	450.00
Total	2,700.00
Less Receipts	0.00
Amount Due	2,700.00

For Direct GBP Payment please send to:

Bank:	**Lloyds Bank Plc**
Sort Code:	**30-00-05 Account Number: 00200399**
IBAN:	**GB92LOYD30000500200399**
SWIFT:	**LOYDGB21007**

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Lexcel Legal Practice Quality Mark Law Society Accredited
INVESTORS IN PEOPLE

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH
DX No 136546 Bishopsgate 2

T +44 (0)20 7655 1000
F +44 (0)20 7655 1001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
Total	1,200.00		6,000.00

With Our Compliments

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

Add Disbursements	0.00
Add 20% VAT	1,200.00
Total	7,200.00
Less Receipts	0.00
Amount Due	7,200.00

For Direct GBP Payment please send to:

Bank:	**Lloyds Bank Plc**
Sort Code:	**30-00-05**
Account Number:	**00200399**
IBAN:	**GB92LOYD30000500200399**
SWIFT:	**LOYDGB21007**

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

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INVESTORS IN PEOPLE

Winding-Up Petition

Rule 7.5
COMP 1

CR-2019-001356

For Court use

Case No:
Hearing Date: 10 Apr 2019 10:30
In the Rolls Building

Delete/ complete as necessary:
(a) High Court, London [a]
(b) High Court B&PCs DR [b]
(c) Non-B&PCs DR [c]
(d) County Court [d]

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)
~~[IN THE HIGH COURT OF JUSTICE~~
~~BUSINESS AND PROPERTY COURTS IN [*location*]~~
~~INSOLVENCY AND COMPANIES LIST (ChD)]~~
~~[IN THE HIGH COURT OF JUSTICE~~
~~CHANCERY DIVISION~~
~~[*location*] DISTRICT REGISTRY]~~
~~[IN THE COUNTY COURT AT [*location*]]~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) Set out the grounds on which a winding-up order is sought

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed,

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness~~

this must be explained

~~statement of [*name*]~~
~~filed in support hereof.]~~

(m) Delete as applicable

(m) The Company ~~is/~~is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) Delete as applicable

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

STATEMENT OF TRUTH

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)

ANNEX A

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 870 458 2943
russell.hill@squirepb.com

14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

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Please visit squirepattonboggs.com for more information.

Lexcel Legal Practice Quality Mark Law Society Accredited

INVESTORS IN PEOPLE

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

Squire Patton Boggs

Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary:
(a) High Court, London
(b) High Court B&PCs DR
(c) Non-B&PCs DR
(d) County Court

[a] IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

[b] ~~[IN THE HIGH COURT OF JUSTICE~~
~~BUSINESS AND PROPERTY COURTS IN [*location*]~~
~~INSOLVENCY AND COMPANIES LIST (ChD)]~~

[c] ~~[IN THE HIGH COURT OF JUSTICE~~
~~CHANCERY DIVISION~~
~~[*location*] DISTRICT REGISTRY]~~

[d] ~~[IN THE COUNTY COURT AT [*location*]]~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd (hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017 under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

(j) Set out the grounds on which a winding-up order is sought

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed, this must be explained

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of [*name*] filed in support hereof.]~~

(m) Delete as applicable

(m) The Company is/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will/~~will not~~ apply and
- these proceedings will be main/~~secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

(r) Delete as applicable

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

Delete as applicable and insert the relevant details as necessary.

Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.

(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe~~/The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

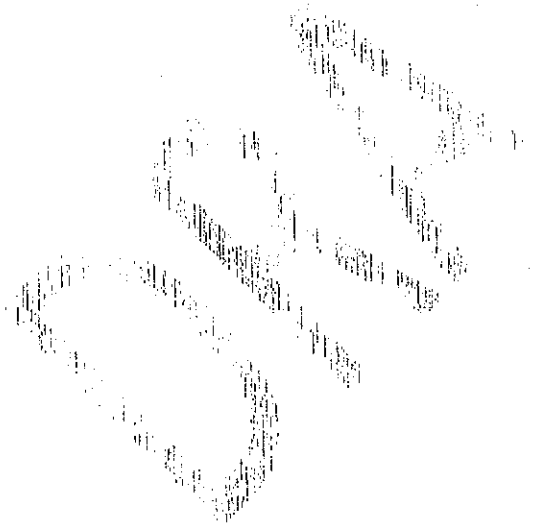
This petition was issued by the court on and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)



IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

Petitioner
Russell Hill
1
Exhibit(s): RH1
Date: 21/2/ 2019
Court Reference No. of 2019

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP Applicant/Petitioner

and

LONDON BLOCK EXCHANGE LTD Respondent/Company

FIRST WITNESS STATEMENT OF RUSSELL HILL

I, RUSSELL HILL, a solicitor of Squire Patton Boggs (UK) LLP, Rutland House, 148 Edmund Street, Birmingham, B3 2JR will say as follows:

1. I am duly authorised by the Petitioner to verify the statements in the petition marked RH1. The statements in the Petition are made from my own knowledge except where otherwise indicated, in which case I have explained the source of my information or belief.

2. I have been concerned in the matters giving rise to the Petition and have the requisite knowledge of the matters referred to in the Petition because I am the Petitioner's solicitor and have been involved in the preparation of the Petition.

3. The statements in the Petition are true to the best of my knowledge, information and belief.

4. The Company is London Block Exchange Ltd (Company number: 10966096) with its registered office at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX.

5. The petition is to be presented in the High Court of Justice, Business and Property Courts.

6. I consider the Company's centre of main interest is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX. Accordingly, the EU Regulation on Insolvency Proceedings will apply and these proceedings will be main proceedings.

Statement of Truth

I believe that the facts stated in this Witness Statement are true.

.....

Full name: Russel Hill

Dated 21/2/19.

On behalf of: Petitioner
Made by: Russell Hill
First statement
Exhibit: "RH1"
Made on: February 2019
Filed on: February 2019

CASE NO of 2019

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD Respondent

EXHIBIT RH1

This is the exhibit marked **RH1** referred to in the statement of Russell Hill made on 21 February 2019.

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary:
(a) High Court, London
(b) High Court B&PCs DR
(c) Non-B&PCs DR
(d) County Court

(a) **IN THE HIGH COURT OF JUSTICE**
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

(b) ~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**BUSINESS AND PROPERTY COURTS IN [*location*]**~~
~~**INSOLVENCY AND COMPANIES LIST (ChD)]**~~

(c) ~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**CHANCERY DIVISION**~~

(d) ~~**[*location*] DISTRICT REGISTRY]**~~
~~**[IN THE COUNTY COURT AT [*location*]]**~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) Set out the grounds on which a winding-up order is sought

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed,

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness~~

this must be explained

~~statement of [*name*]~~
~~filed in support hereof.]~~

(m) Delete as applicable

(m) The Company ~~is/~~is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

STATEMENT OF TRUTH

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)

ANNEX A

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 870 458 2943
russell.hill@squirepb.com

14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.

- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

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INVESTORS IN PEOPLE

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

Squire Patton Boggs

Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary:
(a) High Court, London
(b) High Court B&PCs DR
(c) Non-B&PCs DR
(d) County Court

(a) IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

(b) ~~[IN THE HIGH COURT OF JUSTICE~~
~~BUSINESS AND PROPERTY COURTS IN [*location*]~~
~~INSOLVENCY AND COMPANIES LIST (ChD)]~~

(c) ~~[IN THE HIGH COURT OF JUSTICE~~
~~CHANCERY DIVISION~~
~~[*location*] DISTRICT REGISTRY]~~

(d) ~~[IN THE COUNTY COURT AT [*location*]]~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

(j) Set out the grounds on which a winding-up order is sought

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed, this must be explained

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of [*name*] filed in support hereof.]~~

(m) Delete as applicable

(m) The Company is/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will/~~will not~~ apply and
- these proceedings will be main/~~secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

(r) Delete as applicable

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~(or...)~~

Delete as applicable and insert the relevant details as necessary.

Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.

(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH
DX No 136546 Bishopsgate 2

T +44 (0)20 7655 1000
F +44 (0)20 7655 1001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

REMITTANCE ADVICE

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
With Our Compliments Total	1,200.00		6,000.00

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

Add Disbursements	0.00
Add 20% VAT	1,200.00
Total	7,200.00
Less Receipts	0.00
Amount Due	7,200.00

For Direct GBP Payment please send to:

Bank:	Lloyds Bank Plc
Sort Code:	30-00-05
Account Number:	00200399
IBAN:	GB92LOYD30000500200399
SWIFT:	LOYDGB21007

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

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Please visit squirepattonboggs.com for more information.

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SCHEDULE OF CHARGES

DATE	HOURS	TIMEKEEPER	NARRATIVE
03/04/2018	0.10	S Tibbetts	Reviewing correspondence and agreement.
03/04/2018	0.60	S Tibbetts	Reviewing correspondence and agreement, call with A. Wilkinson and considering agreements.
04/04/2018	0.90	S Tibbetts	Call to discuss listing fee agreement.
05/04/2018	1.10	S Tibbetts	Reviewing documentation, considering agreement and drafting correspondence.
09/04/2018	0.80	S Tibbetts	Listing Fee Agreement: drafting correspondence regarding NanoLabs Listing Fee Agreement.
16/04/2018	0.40	S Tibbetts	Listing Fee Agreement: reviewing and drafting correspondence regarding Listing Fee Agreement.
16/04/2018	1.20	S Tibbetts	Listing Fee Agreement: drafting Listing Agreement.
16/04/2018	0.70	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	1.10	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	3.10	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	1.90	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
18/04/2018	1.10	S Tibbetts	Listing Fee Agreement: drafting listing fee agreement.
18/04/2018	2.40	S Tibbetts	Listing Fee Agreement: drafting listing fee agreement and correspondence.
19/04/2018	0.30	S Tibbetts	Currency Listing Agt: reviewing and drafting correspondence, including comments to agreement.
20/04/2018	0.50	S Tibbetts	Currency Listing Agt: prep for call and call to discuss.
20/04/2018	1.50	S Tibbetts	Currency Listing Agt: drafting amends to agt following call.
20/04/2018	3.70	S Tibbetts	Currency Listing Agreement: drafting updates to currency listing agreement and correspondence.

TOTAL HOURS	21.40
TOTAL CHARGES	7,276.00

TIME SUMMARY

NAME	HOURLY RATE	HOURS	TOTAL
S Tibbetts	340.00	21.40	7,276.00
GRAND TOTAL		21.40	7,276.00

MATTER TOTAL

SUB TOTAL FEES	6,000.00
SUBTOTAL	6,000.00
VAT: 20%	1,200.00
TOTAL AMOUNT DUE FOR THIS MATTER	8,476.00

THE GAZETTE
OFFICIAL PUBLIC RECORD

Published by Authority | Est 1665

Notice details

Type:
Corporate Insolvency
> Petitions to Wind Up (Companies)

Earliest publish date:
19 March 2019

Edition:
The London Gazette

Notice ID:
3236027

Company number:
10966096

Notice code:
2450

Issue number:
62592

Page number:
5001

About Petitions to Wind Up (Companies) notices

Petitions to Wind Up (Companies)

In the High Court of Justice

CR-2019-CR-2019-001356

In the matter of **LONDON BLOCK EXCHANGE LTD**

Trading As: LONDON BLOCK EXCHANGE LTD.

and in the Matter of the Insolvency Act 1986.

A Petition to wind up the above-named company of LONDON BLOCK EXCHANGE LTD (10966096) of Kemp House, 160 City Road, London EC1V 2NX, whose nature of business is Cryptocurrency Exchange, presented on Monday 25 February 2019, at 12:00 by SQUIRE PATTON BOGGS (UK) LLP, of 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH claiming to be a Creditor of the Company, will be heard at the High Court of Justice, Rolls Building, Fetter Lane, London EC4A 1NL on Wednesday 10 April 2019, at 10:30 (or as soon thereafter as the Petition can be heard).

Any person intending to appear on the hearing of the Petition (whether to support or oppose it) must give notice of intention to do so to the Petitioners or to their Solicitor in accordance with Rule 7.14 by 16:00 hours on Tuesday 09 April 2019

The Petitioner's Solicitor is Russell Hill, Rutland House, 148 Edmund Street, Birmingham B3 2JR., Telephone: 0121 222 3132, Email: russell.hill@squirepb.com (Reference number: RH13/HAM.150-0220.)

Notice timeline for LONDON BLOCK EXCHANGE LTD (10966096)

Petitions to Wind Up
19/03/2019

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Respondent
B.Davies
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE **Case no: CR2019-001-356**

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

EXHIBIT BD/2

TO

WITNESS STATEMENT OF
BENJAMIN DAVIES

From: raf.demczuk@wlegal.co.uk
Date: Tuesday, 9 April 2019 at 15:37
To: "Hill, Russell" <russell.hill@squirepb.com>, "Proctor, Andrew" <andrew.proctor@squirepb.com>
Cc: "pwhiteis@aol.com" <pwhiteis@aol.com>, Damian Falkowski <damian.falkowski@39essex.com>, Nigel Kushner <nigel.kushner@wlegal.co.uk>
Subject: Draft Order in JR 1902065, London Block Exchange-v-Squire Patton Boggs (UK) LLP

Dear Sirs

Claim no: JR 1902065
London Block Exchange-v-Squire Patton Boggs (UK) LLP

Further to today's Telephone Hearing, please confirm if you are agreeable to the attached Draft Order so we may file it with the Court.

Kind regards,

Raf Demczuk
W Legal Limited
www.wlegal.co.uk
Office: +44 (0) 207 220 9130
Fax: +44 (0) 20 7112 4833
Regulated by the Solicitors Regulation Authority
Registered Address: 47 Red Lion Street, London, WC1R 4PF
Registered Company Number: 06649868

IN THE HIGH COURT OF JUSTICE **CLAIM NO: JR 1902065**

SENIOR COURT COSTS OFFICE

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and –

SQUIRE PATTON BOGGS (UK) LLP

Defendant

UPON THE APPLICATION OF THE CLAIMANT

AND UPON AGREEMENT REACHED BETWEEN THE PARTIES

IT IS ORDERED BY CONSENT THAT

(1) The Defendant must within 28 days deliver to the Claimant, or to his solicitors, a Bill of Costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.

(2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).

(3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.

(4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

DATED the APRIL 2019

DOCUMENT 7 OF 45

2019-04-11Court_Documents_Bundle_Final_Metadata(dragged)2.pdf

Date: 11 April 2019

Pages: 2

SUMMARY

Document dated 11 April 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

Before Insolvency and Companies Court Judge Barber (Chief Registrar)
10 April 2019

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ORDER

UPON THE PETITION of the Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH (the "Petitioner"), presented against London Block Exchange Ltd (the "Company") on 25 February 2019

AND UPON the Company serving the Petitioner with a witness statement in opposition to the Petition on 9 April 2019

AND UPON HEARING Ms Dawn McCambley, Counsel for the Petitioner, and Mr Damian Falkowski, Counsel for the Company

IT IS ORDERED that:

1. The Petitioner do file and serve evidence in reply by 4pm on 1 May 2019.

2. The Company, if so advised, do file and serve evidence in rejoinder by 4pm on 15 May 2019.

3. The parties do file and serve listing questionnaires by 4pm on 29 May 2019.

4. A non-attendance pre-trial review to be held on the first open date after 5 June 2019.

5. Costs in the Petition.

6. Liberty to apply.

Dated: 10 April 2010

Service of the Order

The Court has provided sealed copies of this Order to the serving party:

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
Ref: RH13/LON.333-0001

DOCUMENT 8 OF 45

2019-04-15Court_Documents_Bundle_Final_Metadata(dragged).pdf

Date: 15 April 2019

Pages: 1

SUMMARY

Document dated 15 April 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

ORDER

In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties	London Block Exchange Limited	Claimant
	-and-	
	Squire Paton Boggs UK LLP	Defendant

On 9 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

(1) The directions hearing is adjourned to 10.30am on 30 April 2019

(2) The costs of this application are reserved

DOCUMENT 9 OF 45

19.04.30 Bundle JR 1902065 for 1030AM for Master Rowley (1).pdf

Date: 30 April 2019

Pages: 28

SUMMARY

Document dated 30 April 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

IN THE HIGH COURT OF JUSTICE **CLAIM NO: JR 1902065**

SENIOR COURT COSTS OFFICE
B E T W E E N:

LONDON BLOCK EXCHANGE LTD

Claimant

- and –

SQUIRE PATTON BOGGS (UK) LLP (Solicitors)

Defendant

INDEX TO BUNDLE
FOR HEARING BEFORE MASTER ROWLEY
TUESDAY 30TH APRIL 2019 at 10:30AM

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IN THE HIGH COURT OF JUSTICE **CLAIM NO: JR 1902065**
SENIOR COURT COSTS OFFICE

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and –

SQUIRE PATTON BOGGS (UK) LLP (Solicitors)

Defendant

SKELTON ARGUMENT OF THE CLAIMANT
FOR HEARING BEFORE MASTER ROWLEY
TUESDAY 30TH APRIL 2019 at 10:30AM

---

1. Introduction:

This Skeleton Argument is prepared on behalf of the Claimant ("**C**") to assist the Court. C is a financial institution, regulated by the Financial Conduct Authority. C is legally represented in relation to 2 matters arising out of the apparent solicitor-client relationship with the Defendant ("**D**") that is a firm of solicitors.

a) D has applied to wind up the Claimant, absent a Judgment/Order/Claim on the basis of 2 interim requests for payment for apparent solicitors' services. Its application is being defended at the High Court of Justice, case no: CR-2019-001356 and continues despite no determination at the SCCO. On 9th April, C attempted to agree directions in order to incorporate them into the Winding Up Petition proceedings so same time table applies. The Winding Up is reliant on the validity of the bills that C disputes. D did not agree to that and on 10th April the Winding Up Judge was addressed on the issue on solicitors bills rather than the matter first being determined by SCCO.

b) C, having requested a Final Bill and been refused one, had no choice but to issue an Application for the delivery of the Final Bill.

c) D has not filed any reply thereto but has written a letter to C's solicitors' *senior partner* with WPSAC points therein hence it is not admissible as inter partes correspondence. That letter has not been filed with the Coutrt. No Witness Statement nor a proper reply was ever made served or filed by D in these proceedings.

Background:

2. This hearing is unnecessary and takes places further to a telephone hearing of 9th April 2019 only because the D did not:

2.1 Agree Draft Directions as per 9th April hearing after C e-mailed them immediately after the hearing
2.2 Reply to C's correspondence for 14 days
2.3 Agree draft directions and still does not agree
2.4 Attempt to agree Directions
2.5 Attempt to narrow the scope of the hearing
2.6 Explain the position on £13,000 deposited in its account by C's investor

Key issues:

3. **Retainer:** There is no signed LoE between parties. D states that it has conducted solicitors' work for C and that D was a solicitor for C. C's position is that D was approached via an external contractor not an employee and not a Director for work useful to that contractor as a friend to a friend. A friend of that contractor who worked as a solicitor for D. D sent invoices to that contractor who in 2019 asserted that the responsibility for payment was on C. Periods of the claimed retainer are unknown as it is the end point of the alleged retainer.

4. **Particulars of fees sought.** These have not been particularized, hourly rates are not agreed, Terms and Conditions have not been signed or explained, it is unknown which solicitor has had conduct of this matter.

5. **£13,000 placed with D**. C's investor worried about the Winding Up and placed £13,000 with D. D's interim request for payments amount to £10,523.54 and its Winding Up petition is for that amount. C is at utter loss at to what D is claiming money for and ow much.

6. **Winding Up**, although D considers itself to be or have been a solicitor for C, it did not issue a claim against D but proceeded to Wind it Up. The Wining Up is based on the invoices that needed to be asessed by SCCO, the Winding Up process is not equipped to do so and submissions on technicalities of Solicitors bill were made at the Winding Up heating on 10th April 2019. This is a waste of court's time and Winding Up, that was not ordered on 10th April needed to have its timetable incorporated in conjunction with the SCCO.

Chronology

12.03.18 External contractor of C states to C that he needs a law firm for his own work
13.03.18 that contractor speaks to D via a friend who works at D buts signs no LoE and nothing for C
20.03.18 Contractor has contact with D but not for C
21.03.18 Contractor receives his own LoE for him but does not sign
05.06.18 D starts asking contractor for money
26.10.18 Contractor receives invoices, no explanation or breakdown
08.01.19 C's contractor confirms to D that he is not responsible for their invoices
10.01.19 Mr Hill of D writes to introduce himself to contractor of C
15.01.19 C's contractor confirms that he is external and not C
27.01.18 D starts asking C for more money
28.02.19 D's application to Wind Up C
12.03.18 C's Investor sends D £13,000 to close the matter, but D continues on
26.03.19 C's solicitors request Final Bill and Certificate of Service of Final Bill
27.03.19 C's 2nd request for Final Bill
27.03.19 D's email asking what a Final Bill is is
27.03.19 C's warning of an SCCO Application
27.03.19 D asking what SCCO proceedings are, and for "*statutory provisions*" for SCCO claim
27.03.19 C's further request for a Final Bill
04.04.19 C issued and served SCCO Application
04.09.19 SCCO Application filed in Winding Up proceedings and re-served
08.04.19 C's Application for a telephone hearing at SCCO before the Winding up Petition
08.04.19 D opposes the SCCO tel. hearing before Winding up
08.04.19 D states it will adjourn Winding Up and no need for SCCO hearing on 09.04.19
09.04.19 D it does not adjourn Winding Up
09.04.19 Telephone hearing before Master Rowley, SCCO
09.04.19 Draft SCCO Directions e-mailed to D immediately but no reply
09.04.19 C's Draft Directions filed with WS in the Winding Up petition
10.04.19 Winding Up hearing at HCJ, Directions given absent SCCO matter
15.04.19 Absent Agreed Directions, SCCO Order sent to parties listing the matter on 30.04.19
25.04.19 E-mail from D opposing Draft Directions of 09.04.19 asking for Order and issued Application
26.04.19 D calls SCCO makes unilateral arrangements for tel. hearing
26.04.19 C's letter to D setting out the position on Draft Directions of 9th April 2019
29.04.19 D comments for an online press release about C "*debt it is owed*"
29.04.19 D refuses to clarify the position of £13,000 paid thereto by C's Investor

7. Hearing on 9th April 2019

In accordance with the comment made by Master Rowley on 9th April 2019, the Claimant submitted to the Defendant immediately following the hearing, by e-mail, a draft form of Order for Directions as follows:

(1) The Defendant must within 28 days deliver to the Claimant, or to his solicitor, a bill of costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.

(2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).

(3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.

(4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

8. The Defendant failed to respond to the proposed directions until just two days before the hearing fixed for 30th April 2019. There followed a series of lengthy exchanges between the parties with the Defendant failing to deal in any way with the issue of directions.

9. The matter has been drawn out totally unnecessarily in to issues that were either irrelevant or matters to be dealt with in the assessment.

10. The Claimant seeks an order as above with costs incurred between the parties arising out of the attached correspondence and hearing today to be payable by the Defendant to be assessed if not agreed.

PAUL WHITE
COSTS LAWYER FOR THE CLAIMANT

DATED: 30th April 2019

4

ORDER

In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties	London Block Exchange Limited	Claimant
	-and-	
	Squire Paton Boggs UK LLP	Defendant

On 9 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

(1) The directions hearing is adjourned to 10.30am on 30 April 2019

(2) The costs of this application are reserved

IN THE HIGH COURT OF JUSTICE **CLAIM NO: JR 1902065**

SENIOR COURT COSTS OFFICE

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and –

SQUIRE PATTON BOGGS (UK) LLP

Defendant

UPON THE APPLICATION OF THE CLAIMANT

AND UPON AGREEMENT REACHED BETWEEN THE PARTIES

IT IS ORDERED BY CONSENT THAT

(1) The Defendant must within 28 days deliver to the Claimant, or to his solicitors, a Bill of Costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.

(2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).

(3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.

(4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

DATED the APRIL 2019

CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

Before Insolvency and Companies Court Judge Barber (Chief Registrar)
10 April 2019

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ORDER

UPON THE PETITION of the Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH (the "Petitioner"), presented against London Block Exchange Ltd (the "Company") on 25 February 2019

AND UPON the Company serving the Petitioner with a witness statement in opposition to the Petition on 9 April 2019

AND UPON HEARING Ms Dawn McCambley, Counsel for the Petitioner, and Mr Damian Falkowski, Counsel for the Company

IT IS ORDERED that:

1. The Petitioner do file and serve evidence in reply by 4pm on 1 May 2019.

2. The Company, if so advised, do file and serve evidence in rejoinder by 4pm on 15 May 2019.

3. The parties do file and serve listing questionnaires by 4pm on 29 May 2019.

4. A non-attendance pre-trial review to be held on the first open date after 5 June 2019.

5. Costs in the Petition.

6. Liberty to apply.

Dated: 10 April 2010

Service of the Order

The Court has provided sealed copies of this Order to the serving party:

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
Ref: RH13/LON.333-0001

SCHEDULE OF COSTS PRECEDENTS
PRECEDENT J

IN THE HIGH COURT OF JUSTICE

Claim No	

SENIOR COURTS COSTS OFFICE

IN THE MATTER OF Squire Patton Boggs UK LLP (Solicitors)

Claimant: LONDON BLOCK EXCHNAGE LTD

Defendant: SQUIRE PATTON BOGGS UK LLP (SOLICITORS)

SEAL

CLAIM FORM (CPR Part 8)

Details of claim (see also overleaf)

The following Orders are applied for:

(1) An Order for a Hearing to be fixed to determine whether any terms of a retainer exist between parties.

(2) An Order in standard form for the delivery of Bill of Costs in all cases and matters, if any such a retainer exists between parties in which the Defendant has acted for the Claimant.

(3) An Order that the Winding up Petition issued and advertised by the Defendant be stayed and or be dismissed pending the outcome of these proceedings.

(4) An order dealing with the costs of this application

Defendant s name and address:

Squire Patton Boggs UK LLP (Solicitors)
Rutland House, 148 Edmund Street
Birmingham B3 2JR

£ 55

Court fee
Solicitor's Cost
Issue date

The court office at the Senior Courts Costs Office is open between 10.00 am and 4.30 pm, Monday to Friday, when corresponding with the court, please address forms or letters to the Court Manager and quote the claim number.

Claim No.	

Details of claim (continued)
The Defendant has issued and rendered 2 invoices in the total sum of if £9,900 as follows:

(1) Invoice number 2622803, Date: 29th March 2018, amount of £2,700 said to be for professional services provided in respect of financial regulation.

(2) Invoice number: 2624225, dated 25th April 2018, amount: £7,700 said to be for professional services provided in respect of a listing fee agreement.

No detail has been provided as to how these invoices have been calculated and they do not comply with section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors' Bill under the 1974 Solicitors Act. A Final Solicitors' Bill under the Act has been requested from the Defendant for all monies, but it has not been issued and the Defendant has not confirmed that it is willing to issue it despite requests. It appears that the Claimant now requests further solicitors' fees.

The Defendant has made an application to wind up the Claimant on the basis of unpaid invoices for its solicitors' fees. The Defendant has advertised the Winding up Petition in the Gazette and the Hearing is listed on 11th April 2019 in the High Court of Justice under case number CR-2019-001356.

There is doubt as to whether there has ever been and continues a proper and complete retainer between parties.

Statement of Truth
*(~~I believe~~) (The Claimant believes) that the facts stated in these particulars of claim are true.
*I am duly authorised by the Claimant to sign this statement.

Full name .....Raf Demczuk, W LEGAL Ltd.....
Name of Claimant s solicitor's firm W LEGAL Ltd

Signed ..... position or office held ...Member, W Legal Ltd.....
*(~~Claimant~~) (~~Litigation friend~~) (Claimant's solicitor) (if signing on behalf of firm or company)
*delete as appropriate

Claimant's or claimant s solicitor s address to which documents should be sent if different from overleaf. If you are prepared to accept service by DX, fax or e-mail, please add details.

Ref. RD
W LEGAL Ltd
47 Red Lion Street
London, WC1R 4PF

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP
DX No 321801 Leeds 18

T +44 113 284 7000
F +44 113 284 7001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 March 2018

DUPLICATE COPY BILL
We hereby certify that this is a true and correct copy of the original

Our Ref:	Matter Number:	Your Ref:	Bill No:
PA2/PA2	LON.333-0001	Marcin Nawrocki	2622803

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Financial Regulation			
To our charges for professional services in the above matter	450.00		2,250.00
Total	450.00		2,250.00

With Our Compliments

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

For Direct GBP Payment please send to:

Bank:	**Lloyds Bank Plc**
Sort Code:	**30-00-05 Account Number: 00200399**
IBAN:	**GB92LOYD30000500200399**
SWIFT:	**LOYDGB21007**

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Add Disbursements	0.00
Add 20% VAT	450.00
Total	2,700.00
Less Receipts	0.00
Amount Due	2,700.00

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Lexcel Legal Practice Quality Mark Law Society Accredited
INVESTORS IN PEOPLE

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH
DX No 136546 Bishopsgate 2

T +44 (0)20 7655 1000
F +44 (0)20 7655 1001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
With Our Compliments **Total**	1,200.00		6,000.00

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

Add Disbursements	0.00
Add 20% VAT	1,200.00
Total	7,200.00
Less Receipts	0.00
Amount Due	7,200.00

For Direct GBP Payment please send to:

Bank:	**Lloyds Bank Plc**
Sort Code:	**30-00-05**
Account Number:	**00200399**
IBAN:	**GB92LOYD30000500200399**
SWIFT:	**LOYDGB21007**

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Squire Patton Boggs (UK) LLP

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Lexcel Legal Practice Quality Mark Law Society Accredited
INVESTORS IN PEOPLE

Respondent
B.Dives
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE **Case no: CR2019-001-356**

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

STATEMENT OF BENJAMIN DIVES

---

1. I am the Director of the Respondent I am authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. The Respondent is a limited company that is a payments services institution. It holds client money for individuals and business who wish to transact on the Internet. It employs 10 people and I am the only Director of the Respondent. The Respondent Company is registered with the Financial Conduct Authority and has suffered reputational damage as a result of the Applicant's advertisement of the Winding Up in the Gazette. The Respondent's turnover per year is approximately £500,000.

3. In the Petition, the Applicant wishes to wind up the Respondent on the basis of 2 interim request for payments. The Applicant is a Firm of Solicitors and is governed by the rules on solicitors bills as per the 1974 Solicitors' Act. These rules are in place to protect consumers of solicitors' services. It is the Respondent's case that the Applicant has not adhered to those rules and has not issued nor delivered its Final Bill of Costs under Statute.

4. The Applicant has not it issued a money claim but has instead issued the Winding Up proceedings. As a result, the Respondent has exercised its right and issued an Application at the Senior Courts Costs Office for the delivery of the Solicitors Final Bill of Costs and thereafter for the assessment of the solicitors' fees by a Costs Master. That issued Application was served on the Applicant and additionally filed with the High Court in these proceedings on 4th April 2019. Prior to that date, the Respondent requested a Final Bill of Solicitors Costs from the Applicant, but the Applicant has not provided one to date and the Respondent has had no choice but to make its Application to the Senior Courts Costs Office. A copy of the Respondent's Application is enclosed herewith as **Exhibit BD/1** together with the Applicant's advertisement in the Gazette.

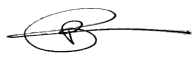
5. The Respondent apologises for the late filing of this Witness Statement but a telephone hearing took place today at 12:30pm, at short notice, and in light of the listing of the Winding Up Petition, at the Senior Courts Costs in front of Master Rowley. As **Exhibit BD/2** I enclose a Draft Order that followed, prepared by my costs lawyer and sent to the Applicant for its agreement. The Respondent has also requested the Senior Courts Costs Office to adjudicate on the issue as to whether there has ever been a Retainer between the Applicant and the Respondent. It is the Respondent's position that no Letter of Engagement has been signed by a Director of the Respondent. It is the Respondent's position that there was no Retainer between the Applicant and the Respondent.

6. The 2-interim request for payment forming the basis of the Applicant's Petition are disputed and are considered to have been incorrectly issued. They do not contain the necessary information that would enable the Respondent to seek professional advice as to whether the charges applied are correct and proportionate. In their current format they do not give raise to solicitors' fees. Nevertheless, the Respondent's investor has placed £13,000 with the Applicant.

7. The Respondent respectfully requests that the Petition be dismissed.

STATEMENT OF TRUTH

I believe that facts stated in this Witness Statement are true.



Benjamin Dives

9th April 2019

From: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Date: Monday, 29 April 2019 at 13:12
To: "Proctor, Andrew" <andrew.proctor@squirepb.com>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>, Paul White <pwhiteis@aol.com>
Subject: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

Dear Andrew

RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

I note your refusal to respond substantively which is surprising and regretful. The matter is escalating unnecessarily. There is no ample time, you responded 2 working days before the hearing date and you have had copies of all the material.

In reference to you quoting an email of your Mr Hill of 26/4/19@12:09 paragraph 4 is a one sentence: "**The funds held on account are subject to a written agreement between this firm and a third party**." and it does not answer the following questions posed in my below e-mail sent to you this morning:

"*Unfortunately, we are having to ask for the third time now: "please confirm the basis upon which you are holding any money on behalf of our client in your client account and the status of same together with your position on the payee. Please confirm if that payee is also, in your view, your client." We ask for an urgent reply with substance and additionally confirm:*
How long have you held the money for and on what basis?
How long do you intend hold it for?
Is the money, in your view, a deposit?
Is it, in your view, a security?"

We have no choice but to produce a copy of this correspondence before Master Rowley tomorrow.

Kind regards,

Raf

Raf Demczuk
W Legal Limited

From: "Proctor, Andrew" <andrew.proctor@squirepb.com>
Date: Monday, 29 April 2019 at 12:22
To: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>, Paul White <pwhiteis@aol.com>
Subject: RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors) [I-EUR.FID9197139]

Dear Raf,

I am not going to repeat points previously made.

If you are to prepare a bundle for the hearing tomorrow, please provide a copy to us in ample time before the hearing.

In response to your paragraph 4 below, I refer you to Russell Hills' e-mail to you of 26/4/19 12:09 paragraph 4.

Regards

Andrew

Andrew M. Proctor

Director of Costs
Squire Patton Boggs (UK) LLP

From: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Sent: 29 April 2019 10:21
To: Proctor, Andrew <andrew.proctor@squirepb.com>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>; Paul White <pwhiteis@aol.com>
Subject: [EXT] London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

Dear Andrew

RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

Thank you for your message. Unfortunately, we need to repeat our previous points:

1. Directions needed to have been agreed and you did not respond for 14 days, i.e. until 2 working days before the hearing, I sent them to you just after the telephone hearing on 9th April by e-mail, but you did not reply for 2 weeks. As a result, SCCO issued its own Order and we have given you advanced notice that we are seeking costs of tomorrow's hearing, which is only taking place because you did not reply to the Directions.
   1.1 Further you did not attempt to agree directions
   1.2 And finally, you did not attempt to narrow the scope of the hearing.

2. For those reasons only, the hearing is taking place, and we are seeking costs as a result of your approach as per above (**1-1.2**). Agreed Directions would have additionally assisted the High Court in the Winding Up hearing on the day after the SCCO hearing i.e. on 10th April brought by your Firm against a company that you consider to be your former client. As you are aware, your Firm was not successful in the winding up of our client on 10th April.

3. In relation to your unilateral call to the SCCO on Friday where you attempted to set up a telephone hearing, we objected because of the above (1) and after our letter, you needed to have responded and engaged with us in relation to the Directions and not call a clerk at the SCCO attempting to list a hearing, where you are the Defendant, you do not pay for telephone hearings and have had no permission of the Court to do so. The previous telephone hearing was suggested by the Court. As much as we are not opposed, being practical, we need to show Master Rowley copies of the herein and previous correspondence on the issue of costs.

4. Unfortunately, we are having to ask for the third time now: "*please confirm the basis upon which you are holding any money on behalf of our client in your client account and the status of same together with your position on the payee. Please confirm if that payee is also, in your view, your client*." We ask for an urgent reply with substance and additionally confirm:

   4.1 How long have you held the money for and on what basis?
   4.2 How long do you intend hold it for?
   4.3 Is the money, in your view, a *deposit*?
   4.4 Is it, in our view, a *security*?

5. Costs are disproportionate because of the above (1) and (2). You did not reply and left us and the Court with no choice, so the Court listed it. At the same time, your Firm has been sending us other correspondence, that I hope you have seen, and that is unfortunately otiose and that we also wish to present to Master Rowley. Expense was not *inevitable* as you say but needed to have been managed.

6. In light of your Friday call to the SCCO, we will contact the Court and revert. Please respond to the points made in our Friday letter, below emails and in particular to the above (4).

Kind regards,

Raf

Raf Demczuk
W Legal Limited

From: "Proctor, Andrew" <andrew.proctor@squirepb.com>
Date: Monday, 29 April 2019 at 09:47
To: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>, Paul White <pwhiteis@aol.com>
Subject: RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors) [I-EUR.FID9197139]

Dear Raf,

Briefly dealing with the points you raise:

1. As stated your proposed directions are not agreed and in turn you do not agree our suggested directions. The Court will therefore have to determine the way the proceedings continue as we are unable to agree.
2. I telephoned the Court to enquire if the listed hearing was to be heard by telephone. The clerk was helpful and said it could be heard by telephone and hence my email to you. In the interests of saving costs, it makes sense to have the hearing by telephone. Of course you could disagree. I note though that you agree to it being dealt with by telephone, which from experience can be arranged at relatively short notice. If you are unable to arrange the telephone hearing please let me know as soon as possible as attendance in person will need to be arranged.
3. We have previously said that costs will be disproportionate given the amount in issue. However your client has brought these proceedings, which are defended and consequently will incur inevitable expense.

I look forward to hearing from you.

Regards

Andrew

From: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Sent: 28 April 2019 10:13
To: Proctor, Andrew <andrew.proctor@squirepb.com>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>; Paul White <pwhiteis@aol.com>
Subject: [EXT] London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

Dear Andrew

RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

Thank you for your below message.

It is not the position that, as you say: *"we are clearly unable to agree directions and the hearing will need to proceed".* The hearing is unfortunately only proceeding because of your Firm's lack of reply or any attempt to agree Directions after the 9th April hearing.

The position remains as per our letter of 26th April 2019, namely that we e-mailed you the Draft Directions on 9th April 2019. We did this immediately after the telephone hearing, in order to save Court's time, and costs.
We wanted to have the agreed Directions incorporated into the timetable of your Winding up Petition, where the hearing was on the following day i.e. 10th April, but you did not respond for 14 days. You responded 2 working days before the SCCO hearing with your letter that contained inaccuracies e.g. that you had not been served with the issued proceedings etc. At the same time, we had other correspondence from your Firm asking for, inter alia, a reply in open correspondence to your letter containing references to (1) Without Prejudice Save as to Costs and (2) Without Prejudice Save as to Costs of the Assessment matters.

Some effort was made when we sent you a 3-page letter on 26th April 2019 immediately responding to your letter of 25th April. We wish to have a copy thereof and the herein emails placed before Master Rowley on Tuesday morning on the issue of costs.

You have unfortunately, and with respect, not attempted to agree Directions or cooperate with us. We repeat, that before the SCCO Application was issued, we had requested, that your Firm produces and appropriately delivers a Final Bill under Statue but we received queries from your Firm asking what we meant by a Final Bill. Equally, we would wish to have that inter partes correspondence placed in front of Master Rowley.

You write in your e-mail that you have called the Master's clerk on Friday 26th April, presumably after our letter, and arranged for a telephone hearing without consulting us or asking us for consent although our client is the Claimant.
Your Firm, as the Defendant, appear to have given the below directions. Namely, that we arrange a telephone hearing. With respect, this is not how SCCO proceedings are conducted. We had only asked for a telephone hearing on 9th April due to the urgency of your Winding Up Petition and to assist you. You have now given us 1 working day to arrange matters as per your convenience and not obtained a formal consent from the Court for such a hearing. This is after there was no reply for 14 days and no attempt to agree directions.

Being practical, we are not opposing your unilateral action but do not know if there is now enough time to arrange a telephone hearing. We will urgently speak to the HMCTS telephone providers on Monday. It may need to be the case that we will attend, and you are dialled in. We will make every effort to be practical, to save costs and to assist you.

We immediately responded to your 25th April letter with substance addressing each and every paragraph thereof but unfortunately you have not responded to any queries stated in our letter of 26th April 2019 and in particular in its paragraph 13:

"*Finally, please confirm the basis upon which you are holding any money on behalf of our client in your client account and the status of same together with your position on the payee. Please confirm if that payee is also, in your view, your client*."

We believe that this matter has unnecessarily escalated. We repeat the last paragraph of our letter of 26th April:

"*We hope that you agree that the costs of all this matter are getting out of hand. Our client is, nevertheless, entitled to a proper Statute Bill without any costs and your Firm continues to attempt to wind it up without any determination of the SCCO action*."

Best regards,

Raf

Raf Demczuk
W Legal Limited

From: "Proctor, Andrew" <andrew.proctor@squirepb.com>
Date: Friday, 26 April 2019 at 14:23

To: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Subject: RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP [I-EUR.FID9197139]

Dear Raf,

Thank you for your letter and enclosure notifying of the hearing on 30 April.

In view of your response, we are clearly unable to agree directions and the hearing will need to proceed.

I have just called the clerk to Master Rowley who confirmed that the hearing can take place by telephone (as I believe was intended by Master Rowley when fixing the date on the last occasion).

The clerk confirmed the number to use for Master Rowley is 0207 947 6468.

I shall be attending and my number to use is 0113 284 7680.

As your client is the Claimant I assume that you will arrange the telephone hearing. Can you confirm.

Regards

Andrew

W
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Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP

Your ref: AP/17/AHM 150-220 & SXT1/AJW4 &
Our ref: RD/LBE /01

26th April 2019

Dear Sirs

Claimant/Applicant: London Block Exchange Ltd
Defendant/Respondent: Squire Patton Boggs UK LLP (Solicitors)
Court: Senior Courts Costs Office

And Winding Up Petition: Squire Patton Boggs -v-London Block Exchange Ltd

Thank you for your yesterday's letter ("**your Letter**") sent to this Firm by post and fax although previous communications had been made by the sender by e-mail. Given that your Letter arrives 2 working days before the hearing and 14 days after our previously unacknowledged e-mail with Draft Directions, we are responding by e-mail @10:30am.

We sent our proposed Draft Directions by e-mail on 9th April 2019 immediately after the hearing in front of Master Rowley. The Directions and our e-mail to your Firm also formed part of our client's Witness Statement in the Winding Up proceedings at the High Court of Justice on 10th April 2019. As you are aware your Firm has attempted to wind up our client in relation to your 2 requests for payment that our client disputes and that are at the fulcrum of the SCCO matter.

The upcoming SCCO hearing could have been avoided had your Firm agreed or attempted to agree the said Directions. In your Letter you state that you do not agree with them. In the meantime, and absent your reply for 14 days, an Order has been made by Master Rowley that could have been avoided had you responded to our e-mail of 9th April 2019.

In paragraph 3 of your Letter, you state that you have not been served with a copy of the issued proceedings. Your Firm was served with a copy of same on 4th April 2019. A further copy was additionally served and filed in the Winding Up Petition on 4th April 2019 together with a copy of our email to your Firm of 9th April 2019. A further reference to same is made in our e-mail written to your Firm on 25th April 2019. Moreover, your Firm failed to provide a Bundle for Hearing at the High Court on 10th April 2019 in your Winding Up petition and a reference to same is again made in our e-mail of 25th April. This Firm had no choice but to produce the bundle to ensure that your hearing goes ahead and as part of that bundle given your counsel at Court, we enclosed a copy of the issued proceedings yet again.

Further to your paragraph 4, please note that we did not draft nor served the Order, the SCCO did. We enclose its courtesy copy that we trust was sent to you directly by the SCCO. The Order contains a Notice of Hearing. As you may be aware, the SCCO rarely issues Notices of Hearing and there had previously been an Order of 9th April 2019 listing the matter on 30th April 2019. Additionally, that

date was given by the Master at the 9th April 2019 hearing that you attended in person. We note that your Firm is unrepresented in the SCCO proceedings.

We disagree with your paragraph 5. There are no preliminary issues before a Final Bill is delivered. Our client is entitled to one and we had requested it in our pre-action correspondence.

In relation to your paragraph 6, we have asked the SCCO to determine the position of the Retainer. We will be writing to you further confirming the position on how your Firm became involved with our client via a third-party contractor, who was, we are instructed, not a Director and nor an employee of our client. We have made submissions on this issue to the High Court at the related Winding Up Petition hearing on 10th April 2019, where your Firm is not legally represented but where you had instructed counsel.

In relation to your paragraph 7, there has in fact been correspondence in relation to this letter and its utility. We respectfully refer you to, inter alia, the e-mail sent to your firm on 25th April 2019 that sets out the position at length. The key difficulty with that letter and any reply thereto, is that it refers to Without Prejudice Save as to Cost and Without Prejudice Save as to Costs of the Assessment communications in open correspondence. It may not, for that reason alone, form part of any bundle other than WPSAC and/or WPSACA.

With respect, your paragraph 8 is unfortunately unclear. Your paragraph 9, it is also unclear. You have not issued a Final Bill under Statute. The position is stated in our client's application and a Witness Statement of its Director of 9th April 2019 filed in the Winding Up proceedings and served on your Firm. We disagree with your position on your entitlement to fees. The time points of your Firm beginning to charge solicitors' fees and ending same, remain unclear. We respectfully refer you, yet again, to our e-mail sent to your Firm on 25th April. We do not accept the last sentence of your paragraph 9.

In relation to your paragraph 10, as we understand, you appear to wish to have a hearing that we have given you an opportunity vacate and to file Directions by consent. You will recall that Master Rowley more or less indicated that he thought the parties should be able to agree the directions and just send them in to approve, but you had not responded to our e-mail with the Draft Directions that you did not agree nor attempted to agree. The Master also gave his thoughts that the sums involved were all rather small. Should you disagree with the above, we would be prepared to share half of the costs of the transcript of the 9th April SCCO hearing.

You are not entitled to any security for costs and your position on same is, with respect, mistaken. You have issued requests for payments and you now appear to wish to have security for costs in relation to a production and delivery of a Bill of Costs that our client is simply entitled to.

Finally, please confirm the basis upon which you are holding any money on behalf of our client in your client account and the status of same together with your position on the payee. Please confirm if that payee is also, in your view, your client.

What we believe needed to happen was for you to have engaged with this Firm on 9th April 2019 and thereafter and attempted to agree a Consent Order for directions or at least narrow the issues down for the Master and then leave further points to be dealt with in the assessment process. That Consent Order needed to have been applied to the timetable of Winding Up proceedings, but it was not and there is now a separate High Court Order with several deadlines fast approaching. Please confirm if you have a copy of that Order and if not, we will forward it to you. It was drafted by your Firm's counsel and we take issue therewith, but this is not a point for the SCCO matter.

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For the above reasons, we will produce copies of the past correspondence in this matter seeking Costs of the Assessment.

We hope that you agree that the costs of all this matter are getting out of hand. Our client is, nevertheless, entitled to a proper Statute Bill without any costs and your Firm continues to attempt to wind it up without any determination of the SCCO action.

Yours faithfully,

W Legal

W Legal Limited

Encl.

From: <raf.demczuk@wlegal.co.uk>
Date: Thursday, 25 April 2019 at 23:51
To: "Hill, Russell" <russell.hill@squirepb.com>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>, Paul White <pwhiteis@aol.com>
Subject: Squire Patten Boggs LLP (Solicitors) -v- London Block Exchange Ltd & London Block Exchange Ltd -v- Squire Patten Boggs LLP (Solicitors)

25th April 2019

Dear Sirs

Squire Patten Boggs LLP (Solicitors) -v- London Block Exchange Ltd
London Block Exchange Ltd -v- Squire Patten Boggs LLP (Solicitors)

Thank you for your below e-mail of 23rd April 2019 ("**your E-mail**").

As you are aware, two separate sets of proceedings are afoot and given the high level of previous inter partes correspondence, we would be grateful if further correspondence could be somewhat limited to save costs. We are mindful that the above disputes concern sums that are not substantial in comparison to the input thus far provided by both sides. We further note that your Firm is not legally represented and is acting in Person in both matters.

In your E-mail, in paragraph 1, you assert that you have not had a substantive reply to your letter dated 8th April 2019 ("**your Letter**") sent to this Firm by e-mail, fax and post. We will re-consider the replies sent and respond again as per you request. We will try to assist you as best as we can. As previously stated, your open Letter refers to Without Prejudice Save as to Costs and Without Prejudice Save as to Costs of the Assessment correspondence making a reply in open correspondence difficult.

You have not confirmed your reasons for referring to both WPSAC and WPSACA correspondence in an open letter. As you have placed a degree of importance on your Letter, we respectfully remind you that it may not form any part of the inter partes correspondence. It would need to remain as WPSAC and/or WPSACA unless parties are willing to engage in a process of negotiated redactions that we do not propose.

As you are aware, since your Letter, there have been 2 hearings in the above proceedings that concern, the same, several thousand pounds of solicitors' fees that you seek. As you are aware, our client disputes your requests for payment. Both hearings were necessitated by your Winding Up Petition that our client continues to contest. Our pre-action requests for a delivery of a Final Solicitors Bill of Costs were made with a view of avoiding our client's application to the SCCO. Your Letter pre-dates the hearing before Master Rowley at the SCCO on 9th April 2019 that we hoped clarified the position on costs. On the day of the SCCO Hearing i.e. on 9th April 2019, we sent you our proposed Directions that we were hoping to agree by Consent, but you have not responded or acknowledged that proposal. The proposed Directions additionally formed an Exhibit to our client's Witness Statement in the Winding Up Hearing on 10th April 2019.

In reply to paragraph 2 of your E-mail, we would be grateful if you could confirm:

a) The basis upon which you continue to hold monies in your client account that, were paid on behalf of our client and exceed the value of your requests for payments and the value of your Winding Up Petition
b) The reason why the above point has not been reflected in the status of your Petition or your counsel's submissions to the Learned Judge at the Winding Up hearing on 10th April 2019. Should this be in dispute, we are willing to share the cost the transcript.
c) Both cases would be assisted if you could confirm your position on the beginning and the end point of your provision of billable legal services to our client

Turning to the Winding Up Petition that you have advertised in the Gazette, we respectfully request, for the third time now, that you disclose the following:

1. Any and all contact made with your Firm as a result of the Winding Up Petition and/or its advertisement. Please confirm if any party/creditor has ever made contact with your Firm and if so, we respectfully request

that you disclose the entirety of same. If it is your position that you have not been contacted by any such a party, please confirm this by return.

Further to your paragraph 2:

2. Please confirm the circumstances that you refer to, namely: "*that your client may have been making payments to some creditors after the presentation of the winding up petition*". Please confirm how the above was "*brought to your attention*" on 23rd April 2019 "*whilst writing*" your E-mail.

3. You will appreciate that it is difficult to respond to conjectures expressed in your below paragraph 2 such as "*your client may*", "*we assume*", "*should the winding up order be granted*", "*we suspect*" etc. Our client continues to dispute your Winding Up Petition and any basis for same.

As a final Winding Up Petition point, we were grateful for your e-mail of 9th April 2019 @18:46 responding to our request for a Bundle that you did not produce but instead referred us to 25.27 of the Chancery Guide, that we agreed to@19:25. The said Guide states at **25.14***:*

*"A hearing bundle must be lodged in accordance with Chapter 15 for all claims where there are more than 30 pages and/or all hearings that have a listing time of 15 minutes or more. There is a strict policy of "**no bundle, no hearing**". Bundles should contain copies of all documents relevant to the hearing. The person seeking a remedy at the hearing is responsible for the bundle being lodged…"*

Not only was your Petition over 30 pages but the Hearing unsurprisingly exceeded 15 minutes because it was contested. On 4th April 2019, we filed a notice of an objection, namely our SCCO Application that your Petition documentation, did not reflect. Your counsel did not mention our objections to the Court but instead focused on the Witness Statement that was only filed as a result of no agreement at the SCCO hearing before Master Rowley on 9th April 2019. As you are aware, we have produced a paginated bundle for your Winding Up Petition to assist the High Court at the 10th April 2019 hearing. Your counsel was given a copy of that bundle that we hope you have received.

Yours faithfully,

W LEGAL LIMITED

From: "Hill, Russell" <russell.hill@squirepb.com>
Date: Tuesday, 23 April 2019 at 10:19
To: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>
Subject: London Block Exchange Limited

Dear Sirs

We refer to our letter dated 8 April 2019 and note we are yet to receive a substantive response. Please may we therefore have a response to our letter by return.

Whilst writing, it has been brought to our attention that your client may have been making payments to some creditors after the presentation of the winding up petition. We assume that your firm has advised the Company on its ability to make such payments, the restrictions imposed by the Insolvency Act 1986 and the potential personal liability of the sole director of the Company, which could be created as a result of making such payments. Should a winding up order be made, we suspect an appointed liquidator will take great interest in any payments made after the presentation of the petition.

We look forward to hearing from you.

Yours faithfully

Squire Patton Boggs (UK) LLP

From: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Sent: 27 March 2019 17:03
To: Hill, Russell <russell.hill@squirepb.com>; Thomas, Rory <rory.thomas@squirepb.com>
Cc: Dingle Clark <d.clark@goldsmithchambers.com>
Subject: [EXT] Re: Our Client: London Block Exchange Ltd

Dear Sirs

A Final Bill under State is, with respect, what every Firm of Solicitors does and we would be grateful if you could refer to the Solicitors' Act for same. You have not issued one and we have required you to do so.

What is urgently required:

1. Your Final Solicitors' Bill under statute
2. Immediate withdrawal of your winding up petition – today.
3. A copy of your Letter of Engagement signed by our client.

Kind regards,

Raf Demczuk
W Legal Limited

From: "Hill, Russell" <russell.hill@squirepb.com>
Date: Wednesday, 27 March 2019 at 16:52
To: Raf Demczuk <raf.demczuk@wlegal.co.uk>, "Thomas, Rory" <rory.thomas@squirepb.com>
Cc: Dingle Clark <d.clark@goldsmithchambers.com>
Subject: RE: Our Client: London Block Exchange Ltd

Dear Sirs

Invoices for the commercial work undertaken for your client (which were agreed in advance by your client) have already been provided and at no point in the past 10 months have they been disputed by your client. Indeed your client has made numerous promises to pay the invoices but has simply failed to do so. Please therefore explain what provisions of "Statute" you consider a "final bill" or any further information is required?

We look forward to your response.

Yours faithfully

Squire Patton Boggs (UK) LLP

From: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Sent: 27 March 2019 16:35
To: Hill, Russell <russell.hill@squirepb.com>; Thomas, Rory <rory.thomas@squirepb.com>
Cc: Dingle Clark <d.clark@goldsmithchambers.com>
Subject: [EXT] Re: Our Client: London Block Exchange Ltd

Dear Sirs

All of the inter partes correspondence will form part of the Hearing bundle and will be presented to the Court, as you know , you need to serve a Final Bill under Statue. You could have emailed it already.

Please serve your Final Bill under Statue by 12pm tomorrow and confirm that you are withdrawing your winding up petition this afternoon. We are drafting the SCCO application now and will seek costs from you as previously advised.

Kind regards,

Raf Demczuk
W Legal Limited

W
LEGAL

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Squire Patton Boggs
Rutland House
148 Edmund Street
Birmingham
B3 2JR

26th March 2019

Initially by e-mail: *russell.hill@squirepb.com*

Dear Sirs

RE: Our Client London Block Exchange Ltd

We act for the above client ("**our Client**") and accept service for same also by e-mail. Please refrain from further direct correspondence with our client.

We are instructed that you are claiming a payment of a Solicitors' Bill from our client and we would be grateful if you could forward us, preferably by e-mail, a copy of your Final Solicitors' Bill under statue ("**your Bill**"). We additionally request a Certificate of Service in relation to the service of your Bill.

We understand that you have issued proceedings in the High Court of Justice, but our client has not been served with same. Please forward us a copy of your issued claim and/or any issued Application so we may file a Notice of Acting.

We look forward to hearing from you at your earliest convenience.

Yours faithfully,

W Legal

W Legal Limited

From: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>
Sent: 15 January 2019 15:50
To: Hill, Russell <russell.hill@squirepb.com>
Subject: [EXT] Re: Squire Patton Boggs - Invoices

Good morning Russ.

Please stop emailing me as there is nothing I can do about these invoices. I am also a contractor who is hired by LBX to help with specific tasks hence do not control invoice payments to other counterparties nor myself.
There are two people on this email chain – Ben Dives (LBX CEO) and Jono McLeod (COO). I was instructed by Benjamin to complete work regarding the financial regulation (March-2018). I have no visibility or any information about the second invoice, really sorry.

Benjamin: +447801933288
Jono: +447973252215

Hope this helps,

Marcin.

DOCUMENT 10 OF 45

30.04.19.pdf

Date: 30 April 2019

Pages: 3

SUMMARY

Document dated 30 April 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

IN THE HIGH COURT OF JUSTICE **CLAIM NO: JR 1902065**
SENIOR COURT COSTS OFFICE

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and –

SQUIRE PATTON BOGGS (UK) LLP (Solicitors)

Defendant

SKELTON ARGUMENT OF THE CLAIMANT
FOR HEARING BEFORE MASTER ROWLEY
TUESDAY 30TH APRIL 2019 at 10:30AM

---

1. Introduction:

This Skeleton Argument is prepared on behalf of the Claimant ("**C**") to assist the Court. C is a financial institution, regulated by the Financial Conduct Authority. C is legally represented in relation to 2 matters arising out of the apparent solicitor-client relationship with the Defendant ("**D**") that is a firm of solicitors.

a) D has applied to wind up the Claimant, absent a Judgment/Order/Claim on the basis of 2 interim requests for payment for apparent solicitors' services. Its application is being defended at the High Court of Justice, case no: CR-2019-001356 and continues despite no determination at the SCCO. On 9th April, C attempted to agree directions in order to incorporate them into the Winding Up Petition proceedings so same time table applies. The Winding Up is reliant on the validity of the bills that C disputes. D did not agree to that and on 10th April the Winding Up Judge was addressed on the issue on solicitors bills rather than the matter first being determined by SCCO.

b) C, having requested a Final Bill and been refused one, had no choice but to issue an Application for the delivery of the Final Bill.

c) D has not filed any reply thereto but has written a letter to C's solicitors' *senior partner* with WPSAC points therein hence it is not admissible as inter partes correspondence. That letter has not been filed with the Coutrt. No Witness Statement nor a proper reply was ever made served or filed by D in these proceedings.

Background:

2. This hearing is unnecessary and takes places further to a telephone hearing of 9th April 2019 only because the D did not:

2.1 Agree Draft Directions as per 9th April hearing after C e-mailed them immediately after the hearing

2.2 Reply to C's correspondence for 14 days
2.3 Agree draft directions and still does not agree
2.4 Attempt to agree Directions
2.5 Attempt to narrow the scope of the hearing
2.6 Explain the position on £13,000 deposited in its account by C's investor

Key issues:

3. **Retainer:** There is no signed LoE between parties. D states that it has conducted solicitors' work for C and that D was a solicitor for C. C's position is that D was approached via an external contractor not an employee and not a Director for work useful to that contractor as a friend to a friend. A friend of that contractor who worked as a solicitor for D. D sent invoices to that contractor who in 2019 asserted that the responsibility for payment was on C. Periods of the claimed retainer are unknown as it is the end point of the alleged retainer.
4. **Particulars of fees sought.** These have not been particularized, hourly rates are not agreed, Terms and Conditions have not been signed or explained, it is unknown which solicitor has had conduct of this matter.
5. **£13,000 placed with D**. C's investor worried about the Winding Up and placed £13,000 with D. D's interim request for payments amount to £10,523.54 and its Winding Up petition is for that amount. C is at utter loss at to what D is claiming money for and ow much.
6. **Winding Up**, although D considers itself to be or have been a solicitor for C, it did not issue a claim against D but proceeded to Wind it Up. The Wining Up is based on the invoices that needed to be asessed by SCCO, the Winding Up process is not equipped to do so and submissions on technicalities of Solicitors bill were made at the Winding Up heating on 10th April 2019. This is a waste of court's time and Winding Up, that was not ordered on 10th April needed to have its timetable incorporated in conjunction with the SCCO.

Chronology

12.03.18 External contractor of C states to C that he needs a law firm for his own work
13.03.18 that contractor speaks to D via a friend who works at D buts signs no LoE and nothing for C
20.03.18 Contractor has contact with D but not for C
21.03.18 Contractor receives his own LoE for him but does not sign
05.06.18 D starts asking contractor for money
26.10.18 Contractor receives invoices, no explanation or breakdown
08.01.19 C's contractor confirms to D that he is not responsible for their invoices
10.01.19 Mr Hill of D writes to introduce himself to contractor of C
15.01.19 C's contractor confirms that he is external and not C
27.01.18 D starts asking C for more money
28.02.19 D's application to Wind Up C
12.03.18 C's Investor sends D £13,000 to close the matter, but D continues on
26.03.19 C's solicitors request Final Bill and Certificate of Service of Final Bill
27.03.19 C's 2nd request for Final Bill by e-mail
27.03.19 D's email asking what a Final Bill is is
27.03.19 C's warning of an SCCO Application
27.03.19 D asking what SCCO proceedings are, and for "*statutory provisions*" for SCCO claim
27.03.19 C's further request for a Final Bill
04.04.19 C issued and served SCCO Application
04.09.19 SCCO Application filed in Winding Up proceedings and re-served
08.04.19 C's Application for a telephone hearing at SCCO before the Winding up Petition
08.04.19 D opposes the SCCO tel. hearing before Winding up
08.04.19 D states it will adjourn Winding Up and no need for SCCO hearing on 09.04.19
09.04.19 D it does not adjourn Winding Up

09.04.19 Telephone hearing before Master Rowley, SCCO
09.04.19 Draft SCCO Directions e-mailed to D immediately but no reply
09.04.19 C's Draft Directions filed with WS in the Winding Up petition
10.04.19 Winding Up hearing at HCJ, Directions given absent SCCO matter
15.04.19 Absent Agreed Directions, SCCO Order sent to parties listing the matter on 30.04.19
25.04.19 E-mail from D opposing Draft Directions of 09.04.19 asking for Order and issued Application
26.04.19 D calls SCCO makes unilateral arrangements for tel. hearing
26.04.19 C's letter to D
29.04.19 D comments for a press release about "*debt it is owed*"
29.04.19 D refuses to clarify the position of £13,000 paid thereto by C's Investor

Hearing on 9th April 2019

In accordance with the comment made by Master Rowley on 9th April 2019, the Claimant submitted to the Defendant immediately following the hearing, by e-mail, a draft form of Order for Directions as follows:

(1) The Defendant must within 28 days deliver to the Claimant, or to his solicitor, a bill of costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.

(2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).

(3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.

(4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

The Defendant failed to respond to the proposed directions until just two days before the hearing fixed for 30th April 2019. There followed a series of lengthy exchanges between the parties with the Defendant failing to deal in any way with the issue of directions.

The matter has been drawn out totally unnecessarily in to issues that were either irrelevant or matters to be dealt with in the assessment.

The Claimant seeks an order as above with costs incurred between the parties arising out of the attached correspondence and hearing today to be payable by the Defendant to be assessed if not agreed.

PAUL WHITE
COSTS LAWYER FOR THE CLAIMANT

DATED: 30th April 2019

DOCUMENT 11 OF 45

2019-05-01Court_Documents_Bundle_Final_Metadata(dragged)5.pdf

Date: 01 May 2019

Pages: 2

SUMMARY

Document dated 01 May 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

ORDER

In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties	London Block Exchange Limited	Claimant
	-and-	
	Squire Paton Boggs UK LLP	Defendant

On 30 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

(1) There is to be a preliminary issues hearing at 10.30am on Friday, 6 September 2019 before Master Rowley sitting in Court 100, Thomas More Building, Royal Courts of Justice, Strand London WC2A 2LL (half a day allowed).

(2) The preliminary issues are:

(a) Was there a retainer between the Claimant and the Defendant?

(b) Are the invoices numbered 2622803 and 2624225 and dated 29 March 2018 and 25 April 2018 respectively interim statute bills?

(3) The Claimant is to serve upon the Defendant the evidence upon which it intends to rely in respect of the preliminary issues by 4pm on 28 May 2019.

(4) The Defendant is to serve upon the Claimant any evidence in reply by 4pm on 25 June 2019.

(5) The parties are to serve any skeleton arguments by 4pm on Tuesday 3 September 2019.

(6) The Claimant is to file an agreed bundle, including any skeleton arguments, by 4pm on Wednesday 4 September 2019.

(7) Any person providing a witness statement is to be ready to be cross examined upon its contents at the hearing unless the parties have agreed beforehand that such attendance is not required.

(8) The costs of this application are reserved.

The court office at the Senior Courts Costs Office, Thomas More Building, Strand, London WC2A 2LL is open between 10 am and 4.30 pm Monday to Friday. Address all communications to the Court Manager quoting the SCCO reference number

ORDER

In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties	London Block Exchange Limited	Claimant
	-and-	
	Squire Paton Boggs UK LLP	Defendant

On 9 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

(1) The directions hearing is adjourned to 10.30am on 30 April 2019

(2) The costs of this application are reserved

DOCUMENT 12 OF 45

witness statement Russell Hill.pdf

Date: 01 May 2019

Pages: 9

SUMMARY

Document dated 01 May 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

On behalf of: Applicants
Made by: Russell Hill
Second statement
Made on: 1 May 2019
Exhibits: RH2

CLAIM NO: CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986
AND IN THE MATTER OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016
BETWEEN:

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD

Respondent

SECOND WITNESS STATEMENT OF RUSSELL HILL

I, **RUSSELL HILL** of Squire Patton Boggs (UK) LLP, solicitor, of Rutland House, 148 Edmund Street, Birmingham, B3 2JR will say:

Introduction

1 I am a partner in the Petitioner firm in the proceedings and I make this statement in reply to the witness statement of Benjamin Dives of London

Block Exchange Ltd served on the Petitioner on 9 April 2019 and as directed by the court on 10 April 2019.

2 I am duly authorised to make this Witness Statement on behalf of the Petitioner.

3 All facts and matters contained in this statement are true to the best of my knowledge.

4 Unless otherwise stated, the contents of this statement are based on my own knowledge. Where the matters to which I refer are derived from other sources, I have explained the source of my information and the matters are true to the best of my belief.

5 There is now produced and shown to me marked "**RH2**" a paginated bundle of true copy documents to which I shall refer in this statement. All references to page numbers are to page numbers in RH2.

First Instruction

6 On 13 March 2018, the Petitioner was approached by the Respondent to carry out some urgent legal work in relation to the creation of a custody agreement between the Respondent and its customers. The work was of an urgent nature and needed to be completed by 21 March 2018. An initial email of instruction dated 13 March 2018 was sent to Mr Andrew Overend ("**Mr Overend**"), a Senior Associate in the Petitioner's firm, by Mr Marcin Nawrocki ("**Mr Nawrocki**") of the Respondent. The email was copied to Benjamin Dives ("**Mr Dives**"), then the sole director and shareholder of the Respondent, and Mr Adam Bryant ("**Mr Bryant**") who subsequently became a director on 3 May 2018. A copy of this email is produced at pages 3 and 4.

7 On 15 March 2018, a fee estimate of £2000 plus VAT and disbursements was provided by the Petitioner and this was accepted by the Respondent in an email timed at 16:49 on 15 March 2018 from Mr Nawrocki, again copying in Mr Dives and Mr Bryan. A copy of this email is produced at pages 1 and 2.

8 Accordingly, on 16 March 2018, the Petitioner agreed to undertake the work requested and it was agreed in a further exchange of emails that the Respondent would be engaged as the Petitioner's client. Mr Dives and Mr Bryant were again copied into this exchange of emails, which are produced at pages 5 to 9.

9 At 13:26 on 16 March 2018, a copy of Mr Dives' passport was sent by email to the Petitioner as proof of identity of the sole director of the Respondent. Mr Dives was, once again, copied in to this email, which is produced at page 10 to 16.

10 An email copy passport was not sufficient for money laundering identity checks as the document was not independently certified by a solicitor. However, Mr Dives was a personal contact of Mr Overend, to whom the initial enquiry for legal services was made. A copy of the vouch note,

produced by Mr Overend, confirming his relationship with Mr Dives is attached at page 17. This allowed the Respondent to be incepted as a client of the firm.

11 Mr Overend no longer works for the Petitioner.

12 Due to the urgent nature of the work required, the Petitioner commenced drafting immediately and over the course of the following four days, instructions were sought and received and the work was completed in short order. In an email dated 20 March 2018 timed at 19:56, attached at page 18, the Respondent acknowledges the conclusion of the work and thanks the Petitioner for the quick turnaround.

13 A formal client engagement letter (**CEL**) was sent by email and post on 21 March 2018. In an email timed at 10:57 on 21 March 2018, Mr Nawrocki acknowledged receipt of the engagement letter and confirmed he had passed it to Mr Dives to sign. A copy of this email is attached at pages 23 and 24 together with a copy of the CEL and the matter acknowledgement letter ("**MAL**") at pages 25 to 29.

14 Following the conclusion of the instruction, an invoice totalling £2250 plus VAT was sent to the Respondent in respect of the first phase of work on 5 April 2018. A file copy of the letter sending the invoice appears at page 30.

15 I understand that it is the Respondent's positon that Mr Nawrocki was an independent contractor and had no power to bind the Respondent. It is clear from the email exchanges, each of which Mr Dives was copied into, that the Respondent held out Mr Nawrocki as having power to bind and give instructions for an on behalf of the Respondent. Mr Nawrocki's email address "@londonblockexchange.com" was identical to that of Mr Dives and at no point did Mr Dives, despite being copied into almost every email, seek to challenge the instructions given, nor did he challenge the CEL dated 21 March 2018.

16 Further, attached at page 31 is a screen print of Mr Nawrocki's LinkedIn profile in which he records his position as a Management Consultant for the Respondent.

17 If Mr Nawrocki did not have actual power or authority to bind the Respondent, he was clearly held out to have the power or authority to do so. Mr Dives, as sole director of the Respondent, made no attempts to dissuade the Petitioner that was not the case, despite being copied into numerous emails and receiving an engagement letter from the Petitioner.

18 I also understand that it is the Respondent's positon that as it did not return a signed engagement letter to the Petitioner, it is not obliged to pay for the legal services rendered. I understand that the absence of a letter of engagement does not mean there cannot be a valid retainer. However, and in any event, the CEL contains the following wording: "*We would be grateful if you would countersign and return the enclosed copy of this letter, for our records. However, whether or not you do so, the giving of instructions to us by you will signify your acceptance of the terms and*

conditions set out in this letter, the Standard Terms and the Matter Acknowledgement Letter issued for any individual matter.".

19 Until the Petitioner was contacted by the Respondent's new solicitors, W Legal Limited, on 29 March 2019 (over a month after the Petition had been issued and nearly 12 months after the initial engagement) the Respondent had never questioned the retainer or the existence of the solicitor/client relationship. As discussed below, the Respondent had even made numerous promises to pay the outstanding debts due to the Petitioner. I am therefore unsure why the Respondent has chosen to make this claim at such a late stage.

Second Instruction

20 In an email dated 31 March 2018, the Respondent instructed the Petitioner on a second matter requesting advice in relation to a "listing fee agreement and an initial digital assessment agreement". On this occasion, the instructions were received from a Mr Dean White, Head of Sales for the Respondent ("**Mr White**").

21 The Petitioner provided a scope of work and a fee estimate in an email dated 9 April 2018. Over a subsequent exchange of emails, concluding on 16 April 2018 copies of which appear at pages 32 to 38, the instructions were clarified and agreed and the fee estimate was revised to £5500-£6000. It will be noted that in the last email in the chain, timed at 13:38 on 16 April 2018, that Mr White confirms he needed to discuss the fee quote and scope of work with Mr Dives before it could be agreed.

22 In a subsequent email timed at 14:09 on 16 April 2018, attached at pages 39 to 45, Mr White confirmed that he had approval for the fee quote and the work commenced. I believe, given the foregoing, that the approval came from Mr Dives.

23 The work in respect of this second matter was completed in accordance with instructions and, in an email dated 25 April 2018, the Petitioner requested permission to raise an invoice for the work undertaken. Although fees were incurred in excess of the fee estimate set out in paragraph 21 above, the Petitioner agreed to cap its fees at £6000 plus VAT in accordance with the fee estimate. The request for permission to raise an invoice contained an explanation of the period over which the time was recorded and an explanation of the work to which it related. The Respondent accepted the request and invited the Petitioner to raise an invoice. The Petitioner acknowledged the agreement and confirmed that a final invoice would be provided. The entire exchange of emails is attached at pages 46 to 52.

24 The invoice, together with a full breakdown of the fees incurred, was sent by email on 30 April 2018. A copy of the email and supporting documentation is attached at pages 53 to 56.

Interim Statute Bills

25 I understand that as an alternative argument, the Respondent contests that the invoices to which the petition relates (the "**Invoices**") do not comply with the requirements of the Solicitors Act 1974. I have asked the Respondent's solicitors on numerous occasions to explain why the Respondent considers this to be the case but they have not explained why. They have merely stated that they do not constitute interim statute bills and instead only represent interim requests for payment.

26 The CEL referred to at paragraph 13 above contains the following statement: "*Unless we agree differently in writing, we shall be entitled to deliver monthly "interim" bills to you for fees and other charges during the course of a matter, and a "final" bill when the matter is concluded. Unless otherwise stated, all interim bills rendered by us will be interim statute bills. (An interim statute bill is a self-contained bill which is final in nature but covers an interim period). We may also deliver bills to you for other charges at any time after they have been incurred (which may be after the legal work on a matter has been concluded, and may therefore be after the "final" bill).* According to the email from Mr Narwocki referenced at paragraph 13 above, Mr Dives received the CEL and was therefore aware of this provision.

27 In respect of both sets of instructions, the Invoices were raised at the conclusion of the respective work streams for the fixed period of time. At no time did the Petitioner notify the Respondent of any deviation from the above and, in the case of the second invoice, specifically referenced the invoice as a "final invoice".

28 The Invoices were addressed to and sent to the Respondent. The Invoices were signed by the Petitioner and contained statements regarding the Petitioner's complaints procedure, the Respondents rights to taxation/assessment and the Petitioner's right to claim interest on unpaid invoices.

Promises for payment

29 The Invoices were due for payment within 14 days of issue. The respondent did not pay the Invoices and did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices.

30 The Petitioner, through its credit control team, has repeatedly requested payment of the Invoices from the Respondent and on numerous occasions, as shown at pages 114 to 121, the Respondent promised to make full or partial payments, but failed to do so. The Respondent did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices.

31 In February 2019, I had a telephone call and subsequently met with Mr Dives and another former director, Jono McLeod, to discuss financial issues being experienced by the Respondent and to offer my assistance. Mr Dives and Mr McLeod informed me the Company had approximately £1,000,000 of trade creditors and was considering a CVA proposal along

with further fund raising options. During the call and the meeting, the Respondent did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices with me.

32 I sent a brief note of advice to Mr Dives regarding the financial difficulties the Respondent was facing, however this, and my subsequent emails, were ignored so a final letter of demand, enclosing a draft winding petition was sent to the Petitioner on 14 February 2019 (Pages 61 to 66).

33 Mr Dives responded to my email at 9:24 on 14 February 2019, suggesting that once a convertible loan had been triggered, the Respondent could "start paying us back". The Respondent did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices.

34 Payment was not received from the Respondent and so I chased again on the 18 February 2019. The Respondent did not reply and so the Petition was issued on 25 February 2019 (Pages 67 to 89). The Petition was sent by email to Mr Dives on 27 February 2019 and served personally at the Respondent's registered office on 28 February 2019, as evidenced by the certificate of service (without enclosures) signed by Ian Bignold of A1 Bailiff Services Ltd (pages 90 and 91).

35 Mr Dives responded to my email enclosing the Petition at 10:21 on 27 February 2019 stating that the outstanding debt would be cleared by 1 March 2019. The Respondent did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices. However, no payments were in fact received.

36 While I was on annual leave, my colleagues received further contact from Mr Dives on 5 March 2019 who requested details of the total amounts due, including costs of the Petition. Again, the Respondent did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices. The total sum outstanding was provided to Mr Dives and an agreement reached that if the sums were paid by 5pm on 11 March 2019, the Petition would not be advertised and that the Petitioner would seek to withdraw it. Payment was not received.

37 I then received further promises to pay the sums due from Mr Dives and on or around 11 March 2019, I was contacted by a Mr Jonathan Sandelson ("Mr Sandelson") who stated that he was looking to invest in the Respondent and would pay off the outstanding debt, including the Petition costs. In a subsequent call and exchange of emails, I agreed a further extension of time before the Petitioner would advertise the Petition, provided the Invoices and the petition costs were paid by 5pm on 13 March 2019. No payment was received from the Respondent or Mr Sandelson.

38 Having received no further contact or payment from the Respondent or Mr Sandelson, the Petitioner advertised the Petition on 19 March 2019.

39 At 13:11 on 20 March 2019, I received a text message from Mr Dives suggesting that that Mr Sandelson would be making a payment and asking if, once paid, the Petition would be withdrawn. Mr Dives did not

raise any query or dispute in the relation to the nature, validity or quantum of the Invoices.

40 On 20 March 2019, the Petitioner received a payment of £13,000 from Mr Sandelson on behalf of the Respondent (Page 92). I informed Mr Sandelson that the amount paid was not sufficient to pay off the Petition debt in full as further costs had now been incurred in relation to the Petition which would also need to be discharged.

41 On 27 March 2019, the Petitioner received a letter from W Legal Limited, instructed by the Respondent, disputing the Petitioner's entitlement to any fees in connection with the work performed in respect of the above. This was the first time the Respondent had raised any query or dispute in relation to the nature, validity or quantum of the Invoices since they were issued nearly 12 months before.

42 As the Respondent has raised a dispute with regard to the Petitioner's entitlement to any fees, the Petitioner has not yet applied the £13,000 received from Mr Sandelson to the Invoices to avoid any further argument regarding misappropriation of funds.

SCCO Proceedings

43 On 4 April 2019, the Respondent issued proceedings in the Senior Courts Costs Office ("SCCO") in respect of the Petitioner's entitlement to costs. The Respondent's proceedings failed to particularise the reasons for disputing the Petitioners entitlement to payment or why they do not constitute interim statute invoices.

44 As a result, the Petitioner responded to the Respondent on 8 April 2019 requesting a detailed explanation of the Respondent's dispute. A copy of that letter is attached at pages 93 to 121. Despite several requests for a response, no formal response has been received at the time of signing this witness statement. I am therefore still unsure of why the Respondent does not believe the Invoices are valid interim statute invoices.

45 A hearing took place in the SCCO Proceedings on 30 April 2019. At the hearing the judge ordered that there be a preliminary issues hearing to deal with:-

- whether there was a valid/enforceable retainer and

- whether final/statute bills were delivered.

This hearing is listed for a half day hearing on 6th September 2019 and directions have been given for service of the Respondent's evidence within 28 days and the Petitioner's evidence 28 days thereafter. I await a sealed copy of the order made.

Press Statement

46 On 29 April 2019, cryptocurrency news outlet Coindesk.co.uk ("CoinDesk") reported on the Petition on its website. According to the

article, a copy of which appears at pages 122 to 123, Mr Dives had contacted CoinDesk in response to the article and is quoted as saying:

"Dives told CoinDesk that the debt in question is only £9,900 (around $12,787). Squire Patton Boggs drafted terms and conditions for LBX's website and provided some other legal services, Dives said. The bill wasn't paid on time, so the law firm got angry and demanded a higher fee, he claimed. "The bill didn't come to my attention until it was very late," Dives said. According to him, LBX sent the money to the law firm "within 24 hours of the petition being issued."

47 It appears from this statement that Mr Dives accepts that the Petitioner carried out work for the Respondent and does not appear to challenge the validity of the engagement or the entitlement to payment, as he expressly acknowledges that the Petitioner had not been paid on time. This appears directly to contradict the Respondent's SCCO application.

Supporting Creditors

48 On 29 April 2019, I received a notice of intention to appear on behalf of Stobbs (IP) Ltd who state they are owed £39,616.39 by the Respondent. It is their intention to appear at the hearing of the petition and to support it. A copy has been provided at page 125.

49 On 1 May 2019, I received notice of intention to appear on behalf of Mr Gavin Pereira who states that he is owed £76,007.62 by the Respondent. It is his intention to appear at the hearing of the petition and to support it. A copy has been provided at page 124.

50 On 1 May 2019, I received notice of intention to appear on behalf of Dearg Obartuin Ltd who state that they are owed £25,510.92 by the Respondent. It is their intention to appear at the hearing of the petition and to support it. A copy has been provided at page 126.

51 I have also been contacted by one further creditor who has informed me that they are owed approximately, £50,000 but have chosen to take their own action rather than formally support the petition.

I believe that the facts stated in this witness statement are true.

Dated 1 MAY 2019

.....

RUSSELL HILL

On behalf of: Petitioner
Made by: Russell Hill
Second statement
Made on: 1 May 2019
Exhibits: RH2

CLAIM NO CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF INSOLVENCY ACT 1986
AND IN THE MATTER OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016
BETWEEN:

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD

Respondent

SECOND WITNESS STATEMENT OF RUSSELL HILL

Squire Patton Boggs (UK) LLP
Rutland House, 148 Edmund Street, Birmingham, B3 2JR
Tel: +44 121 222 3000
Fax:+44 121 222 3001
Ref: LON.333-0001

Solicitors for the Petitioner

DOCUMENT 13 OF 45

SPB- Skeleton 31 January 2020 (1).pdf

Date: 01 May 2019

Pages: 7

SUMMARY

Document dated 01 May 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST

IN THE MATTER OF LONDON BLOCK EXCHANGE LIMITED ('the Company')
AND IN THE MATTER OF A WINDING UP PETITION
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN:

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

-and-

LONDON BLOCK EXCHANGE LIMITED

Respondent

PETITIONER'S SKELETON ARGUMENT
HEARING: 31ST JANUARY 2020 AT 14:00

A. INTRODUCTION

1. This is the hearing of the Petition to wind up the Respondent Company, London Block Exchange Limited ("**LBEL**").

2. The Applicant presented a petition to wind up LBEL to this court on 25 February 2019 ("**the Petition**").

3. LBEL issued an application on 23 January 2020 which it is understood will also be before the court ("**the Application**").

4. The following witness statements have been filed in the Petition:

a. Second witness statement of Russell Hill dated 1 May 2019 on behalf of the Petitioner;
b. First witness statement of Benjamin Dives dated 9 April 2019 on behalf of LBEL;
c. Second witness statement of Benjamin Dives dated 15 May 2019 on behalf of LBEL;
d. Witness statement of Jonathan Sandelson dated 15 May 2019 on behalf of LBEL;
e. Third witness statement of Russell Hill dated 1 August 2019 on behalf of the Petitioner;
f. Fourth witness statement of Russell Hill dated 27 January 2020 on behalf of the Petitioner.

B. FACTUAL BACKGROUND

5. The background to this dispute is contained within the above witness statements. In short, the Petitioner provided legal services to LBEL, for which the Petitioner produced interim statutory bills dated 29 March 2018 and 25 April 2018 that remain unpaid ("**the Invoices**").

6. By way of emails LBEL acknowledged the work carried out, thanked the Petitioner for the 'excellent' work, and made written promises to pay the interim statutory bills[1] (both before and after the Petition was presented).

7. Following presentation of the Petition (and more than 12 months after the first invoice), LBEL claimed that there was no retainer between the Petitioner and LBEL and that the Invoices "*did not comply with Section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors Bill under the 1974 Solicitors Act*". LBEL issued a claim in the Senior Court Costs Office in support of that assertion ("**the SCCO Proceedings**").

8. At the first hearing of the Petition on 10 April 2019 the Petition was adjourned.

[1] See Second witness statement of Russell Hill

9. The Petition came before this court on 2 August 2019 for directions. At that hearing LBEL made an application (issued shortly beforehand) to delay hearing of the Petition until after 6 September 2019 when the SCCO Proceedings had been heard ("**the June 2019 Application**"). There was no hearing date available before 6 September 2019 in any event therefore the June 2019 Application was otiose. The matter was listed for the first available date after 1 December 2020 in order to accommodate the court listing.

10. At a hearing on 6 September 2019 in the SCCO Proceedings, listed to determine the preliminary issue of whether any valid/enforceable retainer existed, Master Rowley found that a valid and enforceable retainer did exist[2] and that the bills served by the Petitioner were interim statute bills such that they were due and payable. Master Rowley gave directions for the assessment of costs and provided for either party to request a hearing after 25 October 2019.

11. On 16th October 2019 the Petitioner served its points of dispute and invited LBEL to request a hearing in accordance with paragraph 6 of the Order.

12. On 29th October 2019 the Petitioner sought confirmation that LBEL had requested a hearing in their SCCO proceedings. LBEL failed to request a hearing.

13. On 7th November 2019 the Petitioner wrote again, by way of email to LBEL's costs lawyer, Paul White, seeking confirmation that LBEL was intending to make an application for a hearing and warning specifically that, due to the existence of the Petition, the Petitioner was not prepared to let the matter be delayed further.

14. As LBEL failed to make an application for assessment of the Petitioner's costs, the Petitioner made an application for a hearing and paid the court fee, in order to progress LBEL's SCCO proceedings.

[2] In fact, the author understands that the Master did not even countenance hearing argument on this point and declared that the evidence overwhelmingly confirmed a retainer at the outset of the hearing.

C. THE LEGAL TEST ON AN APPLICATION TO WIND UP A COMPANY

15. A company may be wound up if it is unable to pay its debts as they fall due; ***s.122(1)(f) IA 1986***.

16. A company is unable to pay its debts as they fall due if a creditor makes demand for a debt in the prescribed form and the company fails to make payment and/or it is proved to the satisfaction of the Court that the company is unable to pay its debts as they fall due; ***s.123 IA 1986***.

15. It is well-established that where the court is faced with a debt that is disputed in the insolvency courts, the approach is similar to that taken on a summary judgment application under ***CPR 24***, the question being whether there is a genuine issue raised which needs to be decided at a trial rather than being capable of being dismissed at the hearing as having no real substance to it: per Nugee J in ***Hayes v Hayes*** [2014] EWHC 2694[3].

17. A winding up order will not be made if the company has a genuine and serious cross claim in an amount which would reduce the petition debt below £750; ***Re Bayoil SA*** [1998] BCC 988.

[3] Although Nugee J was in that case dealing with a cross-claim rather than a dispute as to the petition debt, the principles as summarised by Nugee J apply equally where the petition debt is disputed: see ***Baker v LSREF III Wight Ltd*** [2016] BPIR 509.

D. SUBMISSIONS

Inability to pay debts as they fall due

18. The Petitioner has a liquidated debt that is due and payable. The detail of the debt is important: there was a prospective agreement as to the amounts payable by LBEL in respect of the works undertaken by the Petitioner. Those works now form the subject of the Invoices[4]. Therefore, the Petition can be presented in respect of this debt and there is no need to await the outcome of the assessment; ***Truex v Toll*** [2009] EWHC 396 (Ch) at [**32**]. That disposes of the Application.

19. The Invoices have been outstanding since April/May 2018 and LBEL has failed to make payment. Accordingly, the court can conclude that LBEL is unable to make payment of its debts as they fall due.

20. Although the Petitioner did not serve a statutory demand[5], some of the supporting creditors have, examples can be produced at the hearing if necessary. The supporting creditors' debts remain outstanding further demonstrating an inability to pay debts as they fall due, on a cash flow basis.

21. LBEL is also balance sheet insolvent.

No dispute as to the debt

22. The only challenges to the Petitioner's debt raised by LBEL were the allegations that there was no retainer between the Petitioner and LBEL and that the Invoices "*did not comply with Section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors Bill under the 1974 Solicitors Act*"[6]. Those challenges have been dispelled by Master Rowley.

[4] See paragraphs 6 – 24 of the Second Witness Statement of Russell Hill and the exhibits thereto.
[5] There is of course no requirement to serve a statutory demand, a court can conclude that a company is unable to pay its debts as they fall due without the need for a statutory demand, simply on the basis that the company has failed to make payments of invoices due.
[6] As per the June 2019 Application

23. In the circumstances it is submitted that there is no dispute as to the debt.

24. LBEL only sought an adjournment until after 6 September 2019 and until the outcome of the hearing before Master Rowley was known. That of course makes sense, because LBEL's only challenge was as set out at paragraph 20 above, which was all to be resolved by the hearing on 6 September 2019.

25. There is no further reason to delay the hearing of the Petition. There is no genuine dispute as to the debt and the Application is merely a last-ditch attempt to delay the inevitable.

E. SUPPORTING CREDITORS

26. The Petition is of course a class action.

27. There are now 13 other creditors supporting the Petition (some of which are employees or former directors), with debts totalling over £1m.

28. Any further delay to the hearing of the Petition prejudices the creditors as a whole. The creditors have already been subject to significant delay as a result of the SCCO Proceedings, which turned out to be a fruitless exercise for LBEL. It is submitted that this was merely a delaying tactic in any event.

29. The following matters are a cause for concern to creditors:

    a. On 26 July 2019, only one week before the last hearing, LBEL changed its name to Dragon Payments Limited.
    b. On 21 February 2019, LBEL filed notice at Companies House of a change in control of LBEL and of share transfers, backdated to 1 June 2018, prior to the Petition being presented.
    c. In 2019 Benjamin Dives set up two new companies, namely LBX Securities Limited (company number: 11930187) and LBX PEG Ltd (company number: 11784655).

F. CONCLUSION

30. For the reasons set out above, the Court is invited to dismiss the Application and proceed to hear the Petition and wind up LBEL.

31. It is submitted that there is no need to await the outcome of the assessment in the SCCO Proceedings because the Petitioner has a liquidated debt to the extent of the sums agreed on the basis on ***Truex***.

32. In any event, LBEL should not be able to benefit from a failure to prosecute its own application. LBEL applied for the SCCO Proceedings but then failed to seek an assessment following the hearing on 6 September 2019. It is submitted that this was merely a delaying tactic in an attempt to prevent a hearing of the Petition.

29 JANUARY 2019

KATE ROGERS
RADCLIFFE CHAMBERS

DOCUMENT 14 OF 45

19.05.04 Letter to Squire Patton Boggs .pdf

Date: 04 May 2019

Pages: 1

SUMMARY

Document dated 04 May 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

W
LEGAL

47 Red Lion Street
London, WC1R 4PF
info@wlegal.co.uk
www.wlegal.co.uk
Tel: +44 (0) 20 7220 9130
Fax: +44 (0) 20 7112 4833

Squire Patton Boggs
Rutland House
148 Edmund Street
Birmingham
B3 2JR

4th May 2019

Initially by e-mail: *russell.hill@squirepb.com*

Dear Sirs

Squire Patton Boggs LLP Solicitors -v- London Block Exchange Ltd
Case number: CR-2019-001356
Court: The High Court of Justice

We write further to the Order made at the Insolvency and Companies Court by Judge Barber (Chief Registrar) on 10th April 2019 that ordered, you the Petitioner to, inter alia, to: "*serve evidence in reply by 4pm on 1st May 2019*".

Although you e-mailed several very large files to this Firm on 1st May: (1) we have had some difficulties opening some of them, (2) we do not accept service by e-mail, (3) *service* is particularised in CPR and (4) you, the Petitioner, are also a Firm of solicitors practising in the area of law pertinent to your own Petition.

We have finally received, in the post, your letter dated 1st May 2019, enclosing your Witness Statement ('**the Witness Statement**") that is served, as per CPR, on 3rd May 2019 i.e. 2 days after the due date.

We write urgently, further to contact from our client's Director, who has discovered that you have enclosed an A4 size copy of his Passport ("**the Passport copy**") with all of his personal data thereon, as an Exhibit to your Witness Statement. Our client's Director is most distressed by this action compromising his sensitive personal data.

Consequently, we require that you give an undertaking to immediately, and in any event no later than by midday on 7th May 2019, withdraw the Passport copy from any and all copies of the Witness Statement and that you confirm full details of any and all parties that have received your Witness Statement in the current form, i.e. inclusive of the Passport copy.

Yours faithfully,

W Legal

W Legal Limited

W Legal Limited. Registered in England and Wales. Registered Office: 47 Red Lion Street, London, WC1R 4PF.
Registered Company Number: 06649868. A list of directors is open to inspection at the Registered Office.
Authorised and regulated by the Solicitors Regulation Authority (No: 493379). VAT Number: 135 5493 06.

Letter to W Legal Limited (1).pdf

Date: 04 May 2019

Pages: 2

SUMMARY

Document dated 04 May 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
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B3 2JR
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O +44 121 222 3000
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squirepattonboggs.com

Lauren Cope
T +44 121 222 3438
DF +44 870 460 2707
lauren.cope@squirepb.com

7 May 2019

Our ref SXT1/AJW4

Your ref RD/LBE/01

By email to raf.demczuk@wlegal.co.uk

W Legal Limited
47 Red Lion Street
London
WC1R 4PF

Dear Sirs

Squire Patton Boggs (UK) LLP v London Block Exchange Ltd
Case number: CR-2019-001356

We write in response to your letter dated 4 May 2019, in respect of the service of our evidence.

Insofar as your second paragraph is concerned, we make the following comments using your numbering:-

1 Please clarify "some" difficulty and "some" of them. Identify the precise problem and the precise emails you have been unable to open and why.

2 Incorrect, please see your emails of 22 March and 4 April 2019.

3 We are aware of the provisions of the CPR relating to service.

4 Please clarify the point you are trying to make here.

In the circumstances, our evidence has not been served 2 days late.

In respect of the passport copy, the General Data Protection Regulations ("**GDPR**") allow the processing of personal data if it complies with a legal obligation (Article 6). The legal obligation here is our duty to produce an accurate statement of facts. The GDPR also allows processing where the parties have a "legitimate interest", clearly the case here too.

Given that the use of the passport copy is necessary in documenting the truth of the contents of our witness statement and will have a minimal privacy impact on the director, we see no reason for the use of the passport copy to compromise his sensitive personal data. It has only been necessary to exhibit the passport copy at all because of the director's position

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Lexcel
Legal Practice Quality Mark
Law Society Accredited

that he did not engage this firm to undertake any work and that we did not have a valid retainer. We are perfectly entitled to produce evidence to contradict that assertion.

Notwithstanding the above, we are prepared to give an undertaking to the effect that we will not disclose the passport copy to any parties other than W Legal Limited and the Court, being the only entities to have received the witness statement and exhibit to date.

Yours faithfully

Squire Patton Boggs (UK) LLP

Enclosure

DOCUMENT 16 OF 45

2019-05-07LettertoWLegalLimited.pdf

Date: 07 May 2019

Pages: 2

SUMMARY

Document dated 07 May 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
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squirepattonboggs.com

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lauren.cope@squirepb.com

7 May 2019

Our ref SXT1/AJW4

Your ref RD/LBE/01

By email to raf.demczuk@wlegal.co.uk

W Legal Limited
47 Red Lion Street
London
WC1R 4PF

Dear Sirs

Squire Patton Boggs (UK) LLP v London Block Exchange Ltd
Case number: CR-2019-001356

We write in response to your letter dated 4 May 2019, in respect of the service of our evidence.

Insofar as your second paragraph is concerned, we make the following comments using your numbering:-

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4 Please clarify the point you are trying to make here.

In the circumstances, our evidence has not been served 2 days late.

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that he did not engage this firm to undertake any work and that we did not have a valid retainer. We are perfectly entitled to produce evidence to contradict that assertion.

Notwithstanding the above, we are prepared to give an undertaking to the effect that we will not disclose the passport copy to any parties other than W Legal Limited and the Court, being the only entities to have received the witness statement and exhibit to date.

Yours faithfully

Squire Patton Boggs (UK) LLP

Enclosure

DOCUMENT 17 OF 45

19.05.08 Letter to Crt in CR-2019-001356 .pdf

Date: 08 May 2019

Pages: 1

SUMMARY

Document dated 08 May 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

W
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Court Officer
The High Court of Justice
Business and Property Courts
Companies Court

By e-file

8th May 2019

Dear Sir or Madam

Squire Patton Boggs LLP Solicitors -v- London Block Exchange Ltd
Case number: CR-2019-001356

As the Court is aware, we act for the Company in the above matter.

We write further to the Order of Judge Barber (Chief Registrar) of 10th April 2019 that ordered the Petitioner to, inter alia, to: "*serve evidence in reply by 4pm on 1st May 2019*".

The Petitioner has sent us "*Second Witness Statement of Mr Russell Hill*" dated 1st May 2019 enclosing, on page 16 of an exhibit thereto, an enlarged A4 photocopy of a Passport of our client's Director and a copy of same, we understand, has been filed with/sent to the Court.

The Petitioner has since given an undertaking that only 2 copies of the Passport copy have been sent, one to us and one to the Court. Please urgently seal the Passport copy as "*Private and Confidential*" so it must not be disclosed to any party viewing the Court file or requesting a copy of that Witness Statement filed by the Petitioner. Our client's Director is concerned that his sensitive personal data, inclusive of his date of birth, place to birth, passport number and a biometric photo are now unsecured on the Court file as a result of the Petitioner's filing.

We are grateful to the Honourable Court for its ongoing assistance and apologise for any inconvenience caused but the Company had not control over the above.

Yours faithfully,

W Legal

W Legal Limited

W Legal Limited. Registered in England and Wales. Registered Office: 47 Red Lion Street, London, WC1R 4PF.
Registered Company Number: 06649868. A list of directors is open to inspection at the Registered Office.
Authorised and regulated by the Solicitors Regulation Authority (No: 493379). VAT Number: 135 5493 06.

DOCUMENT 18 OF 45

2019-05-25Court_Documents_Bundle_Final_Metadata(dragged)6.pdf

Date: 25 May 2019

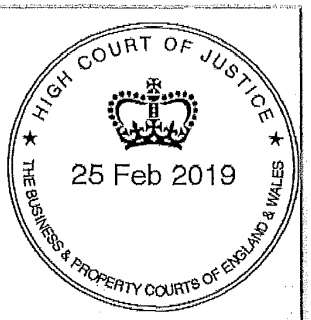
Pages: 4

SUMMARY

Document dated 25 May 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).



Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No: CR-2019-001356
Hearing Date: 10 Apr 2019 10:30 In the Rolls Building

Delete/ complete as necessary:
(a) High Court, London [a]
(b) High Court B&PCs DR [b]
(c) Non-B&PCs DR [c]
(d) County Court [d]

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)
~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**BUSINESS AND PROPERTY COURTS IN [*location*]**~~
~~**INSOLVENCY AND COMPANIES LIST (ChD)]**~~
~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**CHANCERY DIVISION**~~
~~**[*location*] DISTRICT REGISTRY]**~~
~~**[IN THE COUNTY COURT AT [*location*]]**~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

(j) Set out the grounds on which a winding-up order is sought

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed,

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness~~

this must be explained

~~statement of [*name*]~~
~~filed in support hereof.]~~

(m) Delete as applicable

(m) The Company ~~is/~~is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) Delete as applicable

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)

2.pdf

Date: 28 May 2019

Pages: 2

SUMMARY

Document dated 28 May 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

IN THE HIGH COURT OF JUSTICE **CLAIM NO: JR 1902065**
SENIOR COURT COSTS OFFICE
COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and –

SQUIRE PATTON BOGGS (UK) LLP

Defendant

CLAIMANT'S SUBMISSIONS ON THE PRELIMINARY ISSUES PURSUANT TO ORDER OF MASTER ROWLEY DATED 30th APRIL 2019

In accordance with the comment made by Master Rowley on 30th April 2019 and the Order of same date, the Claimant sets out details of the preliminary issues as follows:

A. Was there a Retainer between the Claimant and Defendant:

There is no signed Letter of Engagement between the parties. The Defendant states that it has conducted work for the Claimant and that Defendant was a solicitor for the Claimant. The Claimant's position is that the Defendant was approached via an external contractor Mr Marcin Nawrocki not an employee and not a Director for work useful to that contractor as a friend to a friend. The Claimant admits that Marcin Nawrocki from time to time utilized an email address with the domain of the Claimant but was never an employee, nor a Director and was never authorized by the Claimant to contractually bind it. Claimant's details are available on Companies House and a firm of solicitors would have had access to its very short list of Directors and the Articles of Association that are on the Companies House online. A friend of that contractor, a solicitor asserted that responsibility for the Defendant. The Defendant sent invoices to that contractor who with a delay i.e. in 2019 asserted that the responsibility for payment was on the Claimant. The Defendant uncritically followed that suggestion. There was and has never been any signed nor agreed Retainer between the Claimant and Defendant. The Claimant has not expressly agreed to the Defendant's Terms and Conditions. Moreover, the Claimant is simply unable to ascertain what work has been done and at what cost. The Defendant refused to provide it with its Final Solicitors' Bill and applied to the High Court to Wind the Claimant Up on the basis of the Defendants' invoices.

The Claimant is a money exchange business and was under the impression that should they need to engage a Firm of Solicitors, a face to face meeting would have been necessary for Know Your Customer/ Anti Money Laundering purposes and there was no such a meeting.

The Defendant has acted adversely and unambiguously towards the Claimant and the Claimant did not find that consistent with actions of a firm of solicitors acting for a client. The Defendant has made a negative press comment on its Winding Up action and enclosed an enlarged A4 size photo page of a passport of the Claimant's Director with a Witness Statement thereby compromising that Director's personal data. The Defendant has implied that it is a "friend" of the Claimant and gave otiose insolvency advise out of the remit of its purported retainer.

The Claimant rejects an argument that if an email with an attachment is sent but it is not signed nor explained, then a solicitors' firm becomes instructed by a client.

B. Are the invoices numbered 2622803 and 2624225 dated 29th March 2018 and 25th April 2018 respectively interim statute bills:

On the face of each invoice it merely gives the matter headings and the one-line narrative '*To our professional services in the above matter*.' The two invoices do not state that they are interim or final statute bills. They do not show the periods in which they cover. The invoices do not provide details of any instructions for the work done nor do they provide sufficient, if any, narrative to identify as to the work undertaken to enable advice to be taken as to their reasonableness.

The invoices/bills issued by the Defendant were never signed by the Claimant and neither was the covering letter attaching them.

C. Parallel proceedings

The Defendant has refused to give priority to the SCCO proceedings that the Claimant suggested are prioritized before the contested Winding Up proceedings. The Claimant is solvent, and the Defendant has applied to Wind the Claimant up before the SCCO determination of the above issues A-B. The Claimant continues to be solvent. Parallel proceedings in the same High Court of Justice continue unnecessarily. The Defendant has never issued any money claim nor sent a Letter of Claim to the Claimant.

D. Evidence

The Claimant intends to rely upon the entirety of evidence served thus far in all, inclusive of the Parallel proceedings concerning the above A-B issues in question.

Paul White
Costs Draftsman for the Claimant
DATED: 28th MAY 2019

DOCUMENT 20 OF 45

19.06.18 WS P White WITHOUT EXHIBITS.pdf

Date: 18 June 2019

Pages: 3

SUMMARY

Document dated 18 June 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

Respondent Company
P.White
Second
Exhibits PW/1
17.06.2019

Case no: CR2019-001-356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

FIRST WITNESS STATEMENT OF PAUL WHITE

---

1. I am a Costs Lawyer and Costs Draftsman. I have approximately 40 years of experience in dealings with solicitors' costs and entitlement thereto. It is fair and accurate to state that I am a very experienced costs lawyer. I am instructed and authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. I am making this Witness Statement in support of the Company's application to list the Winding Up hearing after the conclusion of the very similar proceedings that are currently live at the High Court of Justice Senior Court's Costs Office ("**SCCO**"). In these

proceedings the Company made a claim for a Costs Judge to assess the Petitioner's entitlement to any solicitors' costs and determine whether there has ever been a solicitors' retainer between the Petitioner and the Company. The Petitioner has applied to Wind Up the Company on the basis of 2 invoices that the Company disputes. The invoices are not sufficiently particularised, do not constitute a proper Solicitors' Bill of Costs and I am unable to advice the Company on their content due to the manner they have been issued. I do not believe that any other costs lawyer may advice the Company on the contents of these invoices for same reasons.

3. A relationship between a solicitor and a client is governed by the 1974 Solicitor's Act ("**the Act**") and this includes strict and specific rules for solicitors billing their clients. Solicitors' clients are treated differently than ordinary consumers of services and there are specific rules on what constitutes a solicitor's interim request for payment and a Final Bill of Solicitors' Costs under the Act. A client of a solicitor is entitled to a detailed and itemised Bill free of charge.

4. The Company challenges the Petitioner's entitlement to any costs and considers it improper for the Petitioner to have issued a Winding Up Petition on the basis of its 2 interim requests for payment that do not, on the Company's case, constitute a proper Bill of Solicitors costs that the Company is entitled to. Despite request, to date, the Petitioner has still not issued its Final Bill under the Act.

5. On 4th April 2019 the Respondent issued a Claim at the SCCO under the 1974 Solicitors Act against the Petitioner and challenged: the Petitioner's entitlement to claiming any solicitors' fees whatsoever, their unparticularised quantum and the existence of any Retainer between the parties. The Company has never signed the Petitioner's Letter of Engagement and disputes that the Petitioner has ever been its solicitor.

6. There has been a series of hearings in the SCCO heard by Master/Costs Judge Rowley, where I represent for the Company. Master Rowley made it clear at the hearings and particularly on 30th April 2019 that the SCCO is best equipped to adjudicate upon the issues between the Petitioner and the Company and deals with such disputes as a matter of daily lists.

7. Because of these comments, the Company's claim having been issued as valid, a timetable in place, I believe that the SCCO will have by mid September 2019 resolved the position of the two invoices and thereby save the Court's time in the Winding Up proceedings.

8. Although the Petitioner continues to proceed with the Petition, since 20th March 2019, the Petitioner has held £13,000 that was paid to it by the Company's investor in relation to the disputed £9,900 required in order to close the matter but the Petitioner still proceeded on 10th April 2019.

9. The SCCO matter proceeded because the Petitioner not only failed to agree the standard directions as suggested by Master Rowley on 9th April 2109 but did not respond for 2 weeks and responded on a Friday before the Monday 30th April hearing not agreeing them. There is now a timetable for the SCCO matter that occurred with a delay as a result of Petitioner's actions. The Company asked for a hearing at the SCCO on 9th April 2019 a day before the Winding Up hearing of 10th April 2019, in order to affirm the SCCO proceedings. At that hearings Master Rowley suggested agreed Directions that were sent to the Petitioner immediately after the hearing in the afternoon of 9th April but the Petitioner did not respond.

10. The Company proposed that the SCCO matter proceeds before the Petition, so the issue of the disputed retainer and your disputed Final Bill is determined by Costs Master Rowley, but on 1st May 2019 in correspondence, the Petitioner refused to stay the Winding Up Petition in order for the SCCO to resolve the issue in question.

11. Having dealt with disputes of solicitors 's costs for most of my professional life, I agree with Master Rowley that this matter is best resolved by the SCCO before the Winding Up proceedings.

STATEMENT OF TRUTH

.....

I believe that facts stated in this Witness Statement are true.

Paul White

17th June 2019

CR-2019-001356.pdf

Date: 05 July 2019

Pages: 1

SUMMARY

Document dated 05 July 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

INSOLVENCY AND COMPANIES COURT JUDGE PRENTIS

In the Matter of London Block Exchange Ltd

and

In the Matter of the Insolvency Act 1986

UPON THE PETITION of Squire Patton Boggs (UK) LLP presented against London Block Exchange Ltd on 25 February 2019

AND UPON there being a non-attendance pre-trial review held herein on 5th of July 2019

AND UPON READING THE EVIDENCE

IT IS ORDERED THAT the petition be listed for directions to be heard on 2 August 2019 at 12:30pm to be heard with the application sealed on the 19th of June 2019 already listed on that date.

Dated: 5 July 2019

To: Squire Patton Boggs (UK) LLP
(By email for service)

Ref: RH13

DOCUMENT 22 OF 45

2019-07-10Court_Documents_Bundle_Final_Metadata(dragged)3.pdf

Date: 10 July 2019

Pages: 1

SUMMARY

Document dated 10 July 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

INSOLVENCY AND COMPANIES COURT JUDGE PRENTIS

In the Matter of London Block Exchange Ltd

and

In the Matter of the Insolvency Act 1986

UPON THE PETITION of Squire Patton Boggs (UK) LLP presented against London Block Exchange Ltd on 25 February 2019

AND UPON there being a non-attendance pre-trial review held herein on 5th of July 2019

AND UPON READING THE EVIDENCE

IT IS ORDERED THAT the petition be listed for directions to be heard on 2 August 2019 at 12:30pm to be heard with the application sealed on the 19th of June 2019 already listed on that date.

Dated: 5 July 2019

To: Squire Patton Boggs (UK) LLP
(By email for service)

Ref: RH13

DOCUMENT 23 OF 45

19.08.02 001356.pdf

Date: 02 August 2019

Pages: 2

SUMMARY

Document dated 02 August 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

Before Insolvency and Companies Court Judge Barber (Chief Registrar)
10 April 2019

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ORDER

UPON THE PETITION of the Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH (the "Petitioner"), presented against London Block Exchange Ltd (the "Company") on 25 February 2019

AND UPON the Company serving the Petitioner with a witness statement in opposition to the Petition on 9 April 2019

AND UPON HEARING Ms Dawn McCambley, Counsel for the Petitioner, and Mr Damian Falkowski, Counsel for the Company

IT IS ORDERED that:

1. The Petitioner do file and serve evidence in reply by 4pm on 1 May 2019.

2. The Company, if so advised, do file and serve evidence in rejoinder by 4pm on 15 May 2019.

3. The parties do file and serve listing questionnaires by 4pm on 29 May 2019.

4. A non-attendance pre-trial review to be held on the first open date after 5 June 2019.

5. Costs in the Petition.

6. Liberty to apply.

Dated: 10 April 2010

Service of the Order

The Court has provided sealed copies of this Order to the serving party:

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
Ref: RH13/LON.333-0001

DOCUMENT 24 OF 45

2019-08-15Court_Documents_Bundle_Final_Metadata(dragged)4.pdf

Date: 15 August 2019

Pages: 2

SUMMARY

Document dated 15 August 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST

IN THE MATTER OF LONDON BLOCK EXCHANGE LIMITED ('the Company')
AND IN THE MATTER OF A WINDING UP PETITION
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

2ND August 2019
Deputy ICC Judge Schaffer

BETWEEN:

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

-and-

LONDON BLOCK EXCHANGE LIMITED

Respondent

ORDER

UPON hearing Mr Stephen Willmer for the Applicant Company and Ms Kate Rogers for the Respondent Petitioner

AND UPON the petition to wind up the Company, presented to the court on 25 February 2019 ('the Petition')

AND UPON the Company's application dated 19 June 2019

AND UPON the pre-trial review in the Petition being before the Court

AND UPON the Court's enquiry with the listing office at the outset of the hearing confirming that the Petition could not be heard until January 2020

IT IS ORDERED THAT:

1. The Petition shall be listed on the first available day after 1 December 2019, with a time estimate of 2 hours plus 1 hour judicial pre-reading time.

2. The Petitioner shall prepare a hearing bundle in accordance with the Chancery Guide (agreed if possible) for use at the hearing and shall file and serve the same not more than 7 and not less than 3 days before the hearing.

3. Skeleton arguments shall be filed (by CE filing and hardcopy) and served not less than 2 clear days before the hearing.

4. Costs in the Petition.

19.09.02 Order PTR[6].pdf

Date: 02 September 2019

Pages: 2

SUMMARY

Document dated 02 September 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST

IN THE MATTER OF LONDON BLOCK EXCHANGE LIMITED ('the Company')
AND IN THE MATTER OF A WINDING UP PETITION
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

2ND August 2019
Deputy ICC Judge Schaffer

BETWEEN:

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

-and-

LONDON BLOCK EXCHANGE LIMITED

Respondent

ORDER

UPON hearing Mr Stephen Willmer for the Applicant Company and Ms Kate Rogers for the Respondent Petitioner

AND UPON the petition to wind up the Company, presented to the court on 25 February 2019 ('the Petition')

AND UPON the Company's application dated 19 June 2019

AND UPON the pre-trial review in the Petition being before the Court

AND UPON the Court's enquiry with the listing office at the outset of the hearing confirming that the Petition could not be heard until January 2020

IT IS ORDERED THAT:

1. The Petition shall be listed on the first available day after 1 December 2019, with a time estimate of 2 hours plus 1 hour judicial pre-reading time.

2. The Petitioner shall prepare a hearing bundle in accordance with the Chancery Guide (agreed if possible) for use at the hearing and shall file and serve the same not more than 7 and not less than 3 days before the hearing.

3. Skeleton arguments shall be filed (by CE filing and hardcopy) and served not less than 2 clear days before the hearing.

4. Costs in the Petition.

DOCUMENT 26 OF 45

2019-09-11Court_Documents_Bundle_Final_Metadata(dragged)2.pdf

Date: 11 September 2019

Pages: 1

SUMMARY

Document dated 11 September 2019.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

ORDER

SENIOR COURTS COSTS OFFICE 11 SEP 2019

In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties		
	London Block Exchange Limited	Claimant
	-and-	
	Squire Patton Boggs UK LLP	Defendant

On 6 September 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON the preliminary issues hearing ordered on 30 April 2019

AND UPON HEARING counsel and the costs lawyer for the Claimant and counsel for the Defendant

IT IS DECLARED that:

(1) The answers to the preliminary issues are:`

(a) There was a retainer between the Claimant and the Defendant.

(b) The invoices numbered 2622803 and 2624225 are interim statute bills.

BY CONSENT IT IS ORDERED that:

(2) Master Rowley will carry out a paper assessment of the invoices once the following directions have been complied with.

IT IS ORDERED that:

(3) By 4pm on 20 September 2019 the Defendant is to serve a breakdown of costs (including a cash account) upon the Claimant.

(4) By 4pm on 11 October 2019 the Claimant is to serve Points of Dispute upon the Defendant.

(5) If the Defendant wishes to serve a reply, it is to do so by 4pm on 25 October 2019.

(6) Either party may file a request for a hearing date in Form N258C together with the appropriate fee after 25 October 2019.

(7) The Defendant is to lodge its papers with the court either with the N258C or upon notification that the Claimant has filed an N258C. The Defendant may provide its documents to the court in electronic format subject to any requirements of the court.

(8) Costs reserved.

(1)

DOCUMENT 27 OF 45

20.01.21 Letter to Squire Patton Boggs .pdf

Date: 21 January 2020

Pages: 1

SUMMARY

Document dated 21 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

W
LEGAL

47 Red Lion Street
London, WC1R 4PF
info@wlegal.co.uk
www.wlegal.co.uk
Tel: +44 (0) 20 7220 9130
Fax: +44 (0) 20 7112 4833

Squire Patton Boggs
Rutland House
148 Edmund Street
Birmingham
B3 2JR

By e-mail to: russell.hill@squirepb.com

21st January 2020

Your ref: AP/17/AHM 150-220 & SXT1/AJW4
Our ref: RD/LBE /01

Dear Sirs

RE: Squire Patton Boggs LLP Solicitors -v- Dragon Payments Ltd (formally London Block Exchange)
Winding up Petition number: CR-2019-001356

Thank you for your yesterday's e-mail. We continue to act in the above matter. Further to the upcoming resolution of the SCCO position, our client would welcome a measure of agreement in the winding up proceedings.

Yours faithfully,

W Legal

W Legal Limited

W Legal Limited. Registered in England and Wales. Registered Office: 47 Red Lion Street, London, WC1R 4PF.
Registered Company Number: 06649868. A list of directors is open to inspection at the Registered Office.
Authorised and regulated by the Solicitors Regulation Authority (No: 493379). VAT Number: 135 5493 06.

DOCUMENT 28 OF 45

20.01.22 Draft e-mail to Master Rowley at SCCO .pdf

Date: 22 January 2020

Pages: 2

SUMMARY

Document dated 22 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

Master Rowley
Senior Courts Costs Office
The High Court of Justice
Thomas More Building
Royal Courts of Justice
WC2A 2LL

Also by e-mail: *scco@justice.gov.uk*

22nd January 2020

URGENT

Dear Master

Case number: JR 190 20 65
Claimant: London Block Exchange Ltd (now Dragon Payments Ltd**)**
Defendant: Squire Patton Boggs LLP (Solicitors)

We act for the Claimant in the above matter that was last before you on 6th September 2019.

There continue to exist almost parallel proceedings between the above parties at the High Court, Business and Property Courts, where on 25th February 2019, the Defendant brought a Winding Up Petition against the Claimant under case number CR-2019-001356 for unpaid solicitors' invoices that are you are currently assessing.

As per yesterday's e-mail from the Defendant/ Petitioner, the final Winding Up hearing has just been listed for Friday 31st January at 2pm. The Petition proceeds on the basis of disputed solicitors' fees between the Defendant/ Petitioner and the Claimant/Company.

It is the Claimant's position that should you be able to issue your decision prior to 31st January 2020, it would greatly assist matters at the Business and Property Courts as you are equipped to deal with disputes concerning solicitors' fees.

Should you not be able to issue your decision prior to 31st January, we would be grateful for an indication as to a possible date, so the Claimant might consider applying for an adjournment of the Winding Up hearing in the Companies' Court.

I enclose the PTR Order in the Winding Up matter of 2nd August 2019. The Claimant had applied for a listing after September 2019 hoping for the SCCO conclusion in the year 2019 and at the PTR a listing was ordered after December 2019. The Claimant has no objection to the SCCO discussing the matter directly with the Business and Property Courts.

I confirm that I have copied the Defendant into this correspondence.

Yours faithfully,

P White

Cc: Mr Andrew Proctor: *andrew.proctor@squirepb.com*

DOCUMENT 29 OF 45

20.01.22 WPSATC Letter to Squire Patton Boggs .pdf

Date: 22 January 2020

Pages: 1

SUMMARY

Document dated 22 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

W
LEGAL

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Fax: +44 (0) 20 7112 4833

Squire Patton Boggs
Rutland House
148 Edmund Street
Birmingham
B3 2JR

By e-mail to: *russell.hill@squirepb.com*

22nd January 2020

Your ref: AP/17/AHM 150-220 & SXT1/AJW4
Our ref: RD/LBE /01

Without Prejudice Save as to Costs

Dear Sirs

RE: Squire Patton Boggs LLP -v- Dragon Payments Ltd (formally London Block Exchange Ltd) **Winding up Petition number: CR-2019-001356**

We are instructed to confirm your position on a practical settlement of the above matter concerning the principal sum and your costs. We would be very grateful for a prompt reply having noted your position on our client's proposal to adjourn the 31st January hearing by consent.

Yours faithfully,

W Legal

W Legal Limited

W Legal Limited. Registered in England and Wales. Registered Office: 47 Red Lion Street, London, WC1R 4PF.
Registered Company Number: 06649868. A list of directors is open to inspection at the Registered Office.
Authorised and regulated by the Solicitors Regulation Authority (No: 493379). VAT Number: 135 5493 06.

DOCUMENT 30 OF 45

2019-02-14Noticeofacting23.1.20.pdf

Date: 23 January 2020

Pages: 2

SUMMARY

Document dated 23 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

LEGAL

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Squire Patton Boggs
Rutland House
148 Edmund Street
Birmingham
B3 2JR

Also by fax: 01212223001
And by e-mail to: *russell.hill@squirepb.com*

23rd January 2020

Your ref: AP/17/AHM 150-220 & SXT1/AJW4
Our ref: RD/LBE /01

Dear Sirs

RE: Squire Patton Boggs LLP -v- Dragon Payments Ltd (formally London Block Exchange Ltd)
Winding up Petition number: CR-2019-001356

Thank you for your today's fax with a Notice of Listing that the Company has been made aware of.

Please find enclosed the Company's Notice of Change.

Yours faithfully,

W. Legal

W Legal Limited

Encl.

Notice of change of legal representative

Note:
You should tick either box A **or** B as appropriate **and** box C. Complete details as necessary.

In the	Claim No.
High Court of Justice, Business and Property Courts	CR-2019-001356
Name of Claimant *(including ref.)*	
Squire Patton Boggs (UK) LLP	
Name of Defendant	
Dragon Payments Ltd (formally London Block Exchange Limited)	

I (We) give notice that

A ☑ my legal representative *(insert name and address)*

W LEGAL, 12 Summit House, 12 Red Lion Square, London, WC1R 4QH

has ceased to act for me and I shall now be acting in person.

B ☐ we *(insert name of legal representative)*

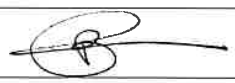
have been instructed to act on behalf of the claimant (defendant) in this claim

in place of *(insert name and address of previous legal representative).*

C ☑ I (we) have served notice of this change on every party to the claim (and on the former legal representative).

Address to which documents about this claim should be sent (including any reference)

	If applicable	
Kemp House 160 City Road London EC1V 2NX Postcode EC1V 2NX	Telephone no.	
	Fax no.	
	DX no.	
	Your ref.	
E-mail		

Signed  (Claimant)(Defendant)('s legal representative) (Litigation friend)

Position or office held Director

If signing on behalf of firm or company

Date 23/01/2020

For further details of the courts www.gov.uk/find-court-tribunal
When corresponding with the Court, please address forms or letters to the Manager and always quote the claim number.

Notice to represent myself.pdf

Date: 23 January 2020

Pages: 1

SUMMARY

Document dated 23 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

Notice of change of legal representative

Note:
You should tick either box A **or** B as appropriate **and** box C. Complete details as necessary.

In the	Claim No.
High Court of Justice, Business and Property Courts	CR-2019-001356
Name of Claimant *(including ref.)*	
Squire Patton Boggs (UK) LLP	
Name of Defendant	
Dragon Payments Ltd (formally London Block Exchange Limited)	

I (We) give notice that

A ☑ my legal representative *(insert name and address)*

W LEGAL, 12 Summit House, 12 Red Lion Square, London, WC1R 4QH

has ceased to act for me and I shall now be acting in person.

B ☐ we (*insert name of legal representative*)

have been instructed to act on behalf of the claimant (defendant) in this claim

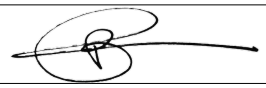
in place of *(insert name and address of previous legal representative).*

C ☑ I (we) have served notice of this change on every party to the claim (and on the former legal representative).

Address to which documents about this claim should be sent (including any reference)

	If applicable	
Kemp House 160 City Road London EC1V 2NX Postcode EC1V 2NX	Telephone no.	
	Fax no.	
	DX no.	
	Your ref.	

E-mail	

Signed  **Position or office held** Director

(Claimant)(Defendant)('s legal representative)
(Litigation friend)

If signing on behalf of firm or company

Date 23/01/2020

For further details of the courts www.gov.uk/find-court-tribunal
When corresponding with the Court, please address forms or letters to the Manager and always quote the claim number.

20.01.23 Letter to Squire Patton Boggs .pdf

Date: 23 January 2020

Pages: 2

SUMMARY

Document dated 23 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

LEGAL

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Squire Patton Boggs
Rutland House
148 Edmund Street
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Also by fax: 01212223001
And by e-mail to: *russell.hill@squirepb.com*

23rd January 2020

Your ref: AP/17/AHM 150-220 & SXT1/AJW4
Our ref: RD/LBE /01

Dear Sirs

RE: Squire Patton Boggs LLP -v- Dragon Payments Ltd (formally London Block Exchange Ltd)
Winding up Petition number: CR-2019-001356

Thank you for your today's fax with a Notice of Listing that the Company has been made aware of.

Please find enclosed the Company's Notice of Change.

Yours faithfully,

W. Legal

W Legal Limited

Encl.

Notice of change of legal representative

Note:
You should tick either box A **or** B as appropriate **and** box C. Complete details as necessary.

In the	Claim No.
High Court of Justice, Business and Property Courts	CR-2019-001356
Name of Claimant *(including ref.)*	
Squire Patton Boggs (UK) LLP	
Name of Defendant	
Dragon Payments Ltd (formally London Block Exchange Limited)	

I (We) give notice that

A ☑ my legal representative *(insert name and address)*

W LEGAL, 12 Summit House, 12 Red Lion Square, London, WC1R 4QH

has ceased to act for me and I shall now be acting in person.

B ☐ we *(insert name of legal representative)*

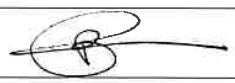
have been instructed to act on behalf of the claimant (defendant) in this claim

in place of *(insert name and address of previous legal representative).*

C ☑ I (we) have served notice of this change on every party to the claim (and on the former legal representative).

Address to which documents about this claim should be sent (including any reference)

	If applicable	
Kemp House 160 City Road London EC1V 2NX Postcode EC1V 2NX	Telephone no.	
	Fax no.	
	DX no.	
	Your ref.	
E-mail		

Signed  (Claimant)(Defendant)('s legal representative) (Litigation friend)

Position or office held Director

If signing on behalf of firm or company

Date 23/01/2020

For further details of the courts www.gov.uk/find-court-tribunal
When corresponding with the Court, please address forms or letters to the Manager and always quote the claim number.

DOCUMENT 33 OF 45

20.01.23 Order listing .pdf

Date: 23 January 2020

Pages: 1

SUMMARY

Document dated 23 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

CR-2019-001356

LISTING ORDER

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

DATED 23 JANUARY 2020

IN THE MATTER OF LONDON BLOCK EXCHANGE LIMITED

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

B E T W E E N :-

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

-and-

LONDON BLOCK EXCHANGE LIMITED

Respondent

UPON THE PETITION of the above named Petitioner presented to the Court on 25 February 2019

AND UPON reading the order of Deputy Insolvency and Companies Court Judge Schaffer dated 2 August 2019

IT IS ORDERED THAT:

1. Pursuant to paragraph 1 of the above mentioned order the matter be listed to be heard on 31 January 2020 at 2pm, with a time estimate of 2 hours.

2. Hearing bundles be lodged with the Court by 4pm on 28 January 2020.

3. Skeleton arguments be lodged with the Court by 4pm on 29 January 2020.

Dragon Payments - Agent Audit 2019.pdf

Date: 23 January 2020

Pages: 22

SUMMARY

Document dated 23 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

Agent Annual Audit: Questionnaire

Agent Name:	Dragon Payments Ltd
Date:	3/1/20
Location:	United Kingdom

Present (Agent):	Benjamin Dives
Present (CFS-Zipp):	

A. Current Company Profile

No.	Question	Response	Supporting Document
1.	Describe the financial operations the business currently conducts.	Dragon Payments holds digital wallets on behalf of its customers who want to trade cryptocurrencies.	
2.	What operations fall under the Scope of CFS-Zipp's E-Money Licence?	The issuance of E Money and the provision of IBAN's for customers.	
3.	What operations or activities fall outside the scope of CFS-Zipp's E-Money Licence?	None	
4.	Describe the current fund flow and/or provide a diagram.	Customers deposit GBP into a retail client account or fi corporate	

		and have their own IBAN. Customers may then elect to move funds to settle invoices.	
5.	Are you registered with an EU Data protection Authority (such as the ICO)?	Yes	
6.	Is the company regulated by any other financial regulator?	No	

B. Corporate Governance and Senior Management Responsibility

No.	Question	Response	Supporting Document
	Company Structure		
7.	Does the business maintain a group company structure chart outlining all shareholders and beneficial owners?	No	
8.	Who is the current UBO and who has overall control of the business?	Johnny Sandelson	
9.	Who are the current directors and who is the current MLRO/Nominated Officer?	Benjamin Dives	

	Associates, Branch offices or Subsidiaries		
10.1.	Does the business have any associates, branch offices or subsidiaries?	No	
11.b.	If so, please describe how the business ensures that such associates, branches or subsidiaries demonstrate compliance with AML/CTF and other financial crime regulations, procedures and policies.	NA	
	Outsourcing		
12.a	Does the business outsource or rely on any third party in respect of its AML/CFT functions?	No	
13.	Does the business outsource any other functions?	No	
	Record Keeping		
14.	How long does the business keep account of AML/CFT records?	5 years	
15.	In what manner or form are the businesses AML/CFT records maintained?	Electronically	
16.	What procedures and controls do you have in place to ensure that records are prepared and maintained correctly (i.e. for the	1. We store all the documents in a cloud based system and take regular backups of the entire folder	

	correct length of time and in a readily retrievable form)?		
17.7.	Please describe how the business ensures that documents can be made available in a timely manner?	We can retrieve the documents from the cloud based system easily.	
	Business Risk Assessments		
18.	Does the business have a business wide Risk Assessment (RA)?	Yes	
19.	Who is responsible for carrying out the RA?	Senior Management Team	
20.	Has the Board approved the current RA?	Yes	
	Board/Senior Management Review of AML/CFT Requirements		
21.9.	Describe the measures taken by the business in reviewing compliance with AML/CFT Requirements under current regulations.	We have Monthly and Quarterly reviews of the compliance process – in line with the new guidelines from the FCA	
22.	When was the last review undertaken?	Q4 2019	
23.	How often is a review performed?	Quarterly	

	Testing/Audit of AML/CFT Policies & Procedures		
24.1.	Describe how the business's AML/CFT policies, procedures and controls are monitored and tested and what frequency.	We employ external consultants to regularly check out processes, policies and controls, at least once a quarter.	
25.1.	Have there been any internal and/or external audit recommendations made in relation to the AML/CFT controls in the last two years?	No none	
26.	If so, please provide a copy of those audit recommendations		
27.	Does the business keep records of any minutes or other documents prepared in relation to the Board review of its compliance Policies, Procedures and Controls?	We do not	
28.	If so, how long are such documents kept for?		
	Resources		
29.15	Does the business consider that it has sufficient resources in place to ensure its responsibilities under current regulations are complied with?	Yes we do	

30.	Is this documented/how can this be demonstrated?	We have recently updated our AML Compliance document	
	Communication of Policies and Procedures		
31. 1.	Describe how the Board ensures that employees are aware of the AML/CFT policies and procedures.	We train new staff on the AML Compliance document and also invite the rest of the team to join those trainings. Staff must attend at least two per year.	
32.			

C. Policies, Procedures and Internal Controls

No.	Question	Response	Supporting Document
	Internal Policies, Procedures and Controls		
33.	Date of current AML/CFT policies, procedures and controls?	August 2019	
34. 1.	Has the business established adequate policies and procedures to address the specific risks associated with non-face to face customers?	Yes	

	Customer relationships		
35.	How many customer relationships do you have?	5000	
36.	What do you do if your software report a PEP to you?	We review on a case by case basis	
37. b.	What number and percentage of customer relationships and transactions have been identified as (i) low risk; (ii) medium risk; (iii) high risk?	i) 80% ii) 15% iii) 5%	
	Customer Risk Assessments		
38. 2.	Describe how the assessment of risk for each customer relationship is reached and how can this be demonstrated?	We have an in-house scoring algorithm for assessing each customer.	
39.	Has a risk assessment been carried out on all existing customers?	Yes	
40. d.	Where you are not obtaining information to evaluate risk level of a customer, what action are you taking?		
	Customer Due Diligence ("CDD")Measures: Identification and Verification		
41.	When does the business undertake CDD measures?	On every new customer	

.			
42.	Describe how you undertake CDD.	We check a selfie against an ID, and we check the address against several databases including PEP and sanction screening.	
43.	Do you have any customers who are not individuals (e.g. legal bodies such as companies or partnerships)?	Yes	
44.	If the customer is not an individual (i.e. legal body such as a company or trust), do the identification and verification procedures differ?	Yes we conduct full KYB including reviewing the POA and ID of the directors and UBO's. We screen and scan for PEP's and sanctions.	
45.	If yes, how the identification and verification procedures differ?		
46.	Describe the process that is in place for determining the purpose and intended nature of a customer relationship.	We inform our clients that they are signing up to a digital wallet.	
	Non-Compliance with Customer Due Diligence Measures		
47.	Describe the process that is undertaken if a (potential) customer cannot be verified/CDD measures cannot be complied with?	We reject them	
	Anonymous Accounts/Accounts in Fictitious Names		
48.	Has the business set up any anonymous customer accounts or accounts in fictitious names?	No	

	Cash		
49.	Does the business accept cash or make cash available to customers?	No	
	Monitoring - Standard and High Risk		
50. 3.	Are transactions and customers monitored for suspicious transactions?	Yes	
51.	How does the business record and store identification data?	We use Spacecloud provided by CFSZIPP	
52.	How does the business ensure that a transaction is consistent with the business' understanding of the customer, and their risk profile?	We cross check against their nature of business, invoice type and reason for the payment.	
53. 4.	How do you determine activity triggers and thresholds to measure risk in the areas of deposits, withdrawals and gambling transactions?	We conduct EDD for all payments inbound and outbound	
54. 4.	Describe what methods and measures have been taken in relation to ongoing monitoring in order to manage and mitigate the risks	We identify any high risk transactions against an algorithm and apply additional bespoke scrutiny to the transaction	

	Intermediaries		
55.	Do you deal with intermediaries?	No	
56.	Do you treat any intermediaries as the customer?	No	
57.	What due diligence is conducted on intermediaries?	N/A	

i) Standard Risk Relationships

No.	Question	Response	Supporting Document
	Monitoring		
58.	Describe what monitoring is performed on standard risk relationships	Standard risk relationships are applied as per out compliance manual, with EDD for all inbound and outbound transactions.	
59.5.	How often/when does monitoring occur in standard risk relationships?	For every transaction.	
60.5.	How is monitoring undertaken either manual procedures or computerised systems?	Typically manual but we may also use desktop research to identity sources of wealth	
61.	Do you use trigger events as part of the ongoing monitoring?	We do not.	

ii) High Risk Relationships

No.	Question	Response	Supporting Document
62.5.	Describe the procedures to assess, control and monitor high risk relationships.	High risk transactions come with addition scrutiny such as communicating with the end client and ensuring they are consistent with the documentation they provide.	
	Enhanced customer Due diligence		
63.5.	In relation to which customer relationships does the business carry out enhanced CDD (EDD)?	Our business clients all are screened with EDD.	
64.5.	Describe the EDD procedure for establishing, or continuing, a relationship with high risk customers.	We check source of funds for every transaction and we check all their personal information.	
	Politically Exposed Persons (PEPs)		
65.5.	What number of high-risk relationships have been identified as including one or more PEPs?	1	
66.	What procedures and controls does your business have in place to identify PEPs?	PEP screening	
67.6.	Describe the approval and sign-off procedures for the acceptance of PEPs.	The MLRO and a Director needs to approve	

68.	Do you maintain a PEP register	Yes	
	High risk jurisdictions and products/services		
69.6.	From which jurisdictions do the high-risk relationships normally come from?	Eastern europe	
70.	Which products and/or services offered by the business are perceived to hold the greatest AML/CFT risks and why?	The Cryptocurrency transactions	
71.	Describe what controls are in place to mitigate these risks	We apply Elliptic and Coinfirm screening to all inbound flows.	
	Monitoring		
72.	Describe what monitoring is performed on high risk relationships.	We will perform quarterly reviews of each account and monitor the accounts for unusual activity	
73.	How often/when does monitoring occur in high risk relationships?	IF we notice something is not as it should be, we then investigate further. Anything suspicious we report it to the NCA.	
	Third Party Payments		
74.	Is there a policy for remitting third party payments?	Yes	
75.	If so, describe the policy and how it mitigates the associated	Customer needs to provide an Invoice or settlement proof.	

.	risks		
	UN and EU Sanctions		
76. 8.	How does the business check that it is meeting the EU Regulations and Resolutions of the UN Security Council EU requirements regarding not transacting with persons or entities subject to sanctions?	We screen all the onboarding companies and the recipients of payments for sanctions.	
77. .	Describe the procedure for sanctions screening.	We use a number of databases to make sure we do not miss any potential sanctions.	
78. c.	Describe the monitoring method(s) used to identify if a customer is subject to sanctions	We use World Check	

D. MLRO

No.	Question	Response	Supporting Document
	Appointment of MLRO/Nominated Officer		
79. .	Who is the current MLRO?	Benjamin Dives	

80.	Describe the resources available for the MLRO to adequately perform their duties.	World check and other database checking transaction monitoring	
81. 7.	Describe how employees are made aware of the name of the MLRO and nominated officer.	They are told when they join.	
	Suspicions: Processes and Reporting		
82.	What is the process for staff when they form a suspicion?	They raise the suspicion to their line manager and do not tell anyone else	
83. 7.	Is an internal suspicion reporting form available for staff to document their suspicion?	Not yet	
84. 7.	Has the business declined to register any customers or terminated any customer relationships due to suspicion of ML/TF?	Yes	
85. 8.	How many internal suspicion reports have been submitted to the MLRO during the past 12 months?	1	
86.	Describe the measures in place to ensure that senior management are aware of issues arising from such reports	All staff are regularly trained in identifying suspicious activities and they meet once a week to discuss any issues that might arise from a client.	

	Corporate Governance		
87.	To whom does the MLRO Report?	The Director	
88.	Are there any conflicts of interest in your organogram/structure?	No	
89.	Describe how the MLRO maintains regular and direct access to the Board	He is the same person.	
90.	Does the MLRO produce an annual report?	Yes – this has recently been implemented.	
	Training		
91.8.	Describe how the MLRO maintains an awareness of AML/CFT legislation and/or global developments in the sector	He is supported by consultants and experts who help guide and shape policy.	

E. Employee Screening, Staff Training and Awareness

No.	Question	Response	Supporting Document
	Screening		

92. 90	Describe screening requirements for new employees *(assessment of— (i) the skills, knowledge and expertise of the individual to carry out their functions effectively;* and *(ii)the conduct and integrity)*	i) They undergo rigorous interviewing. ii) We conduct interviews with their previous employer to find out about how they conducted themselves.	
93. .	Are Police Checks considered?	Yes	
94. .	Are any references taken?	Yes	
	Training		
95. .	Describe what the standard AML/CFT training program consists of	We take someone through the documents and then test their knowledge with atest.	
96. .	Are the AML offences and potential criminal liability of employees detailed in AML/CFT training?	Yes	
97. .	Are employees trained on the detection of unusual or suspicious transactions, and the internal reporting of such transactions to the MLRO?	Yes	
98.	Do you maintain atraining dg and is this up to date?	Yes	
99.	Confirm that all of your employees are required to complete the	Yes	

..	AML/CFT training program.		
100.	Do the Board and senior management receive additional training (specific to their responsibilities)? If yes, what additional training is received?	No	
101.	Who is responsible for AML/CFT training?	The MLRO	
102.	How often is AML/CFT training provided?	Twice a year for all staff and on joining the firm	
103. b.	Within what timeframe are new employees required to have completed their AML/CFT training?	1 month	
104.	How is effectiveness of AML/CFT training assessed?	High	
	Records		
105. 8.	What AML/CFT training record does the business keep and for how long?	It doesn't but we will implement	

F. Treat your customer Fairly

No.	Question	Response	Supporting Document
106.	Are you aware about the Treat your Customer Fairly policy?	Yes	
107.	How has this been implemented? And monitored?	We refer to it during meetings on a periodic basis	
108.	Is the information in your website presented in a way that is likely to be understood by the average member of the group to whom it is directed or by whom it is likely to be received?	Yes we pride ourselves on offering a simple to understand offering.	
109.	Does the firm make sure not to disguise, diminish or obscure important information, statements or warnings?	Yes	
110.	Does the firm take into account the nature of the retail banking service, the banking customer's or the actual commitment using reasonable recipient?	Yes	
111.	Are products or services described as "guaranteed", "protected" or "secure"?	No	
112.	Has you firm TCF training program in place?	Yes	

113.	Describe how the business's TCF procedures and controls are monitored and tested and what frequency.	We invite customers to feed back and listen to their requests.	
114.	Do you keep record about the TCF monitoring?	No	

G. Other

No.	Question	Response	Supporting Document
115.	Which banks are used to hold relevant/client funds?	Clearbank, Sparkasse	
116.	Are these funds separate from all other fund held once received?	Yes	
117.	Do you publish financial promotion material or communicate products to the public?	No	

118.	Do you have a Financial Promotions Policy?	Yes	
119.	Do you have an up to date Data Protection and information Security Policy?	Yes	
120.	Do you maintain an up to date data breach log?	Yes	
121.	How many data breaches have there been in the last 12 months?	None	
122.	Do you have an up to date complaints policy in line with CFS-Zipps?	- We do not have a copy of CFSZIPPS complaint policy	
123.	Do you maintain an up to date complaints log?	Yes	
124.	How many complaints have there been in the last 12 months?	0	
125.	Do you have a business continuity/disaster recovery plan?	Yes	

DOCUMENT 35 OF 45

N244 to adjourn 23.01.20a.pdf

Date: 23 January 2020

Pages: 2

SUMMARY

Document dated 23 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

N244

Application notice

For help in completing this form please read the notes for guidance form N244Notes.

Find out how HM Courts and Tribunals Service uses personal information you give them when you fill in a form: https://www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/personal-information-charter

Name of court High Court of Justice	**Claim no.** CR-2019-00-1356
Fee account no. (if applicable)	**Help with Fees – Ref. no.** (if applicable)
	H W F – – – – – –
Warrant no. (if applicable)	
Claimant's name (including ref.) Squire Patton Boggs LLP	
Defendant's name (including ref.) London Block Exchange Ltd	
Date	23rd January 2020

1. What is your name or, if you are a legal representative, the name of your firm?

   Dragon Payments Ltd (formally London Block Exchange Ltd)

2. Are you a ☐ Claimant ☑ Defendant ☐ Legal Representative

   ☐ Other *(please specify)*

   If you are a legal representative whom do you represent?

3. What order are you asking the court to make and why?

   An Order adjourning the final Winding Up hearing of 31st January 2019 after the Claim at the Senior Courts Costs Office has concluded. The Company asks for 28 days. There are currently 2 sets of almost parallel proceedings at the High Court in assessing a similar case of the solicitor's costs.

4. Have you attached a draft of the order you are applying for? ☑ Yes ☐ No

5. How do you want to have this application dealt with? ☐ at a hearing ☑ without a hearing ☐ at a telephone hearing

6. How long do you think the hearing will last? Hours 15 Minutes

   Is this time estimate agreed by all parties? ☐ Yes ☑ No

7. Give details of any fixed trial date or period — Final Hearing listed on 31st Jan at 2pm

8. What level of Judge does your hearing need? — Registrar

9. Who should be served with this application? — Petitioneir

9a. Please give the service address, (other than details of the claimant or defendant) of any party named in question 9.

10. What information will you be relying on, in support of your application?

- [x] the attached witness statement
- [ ] the statement of case
- [ ] the evidence set out in the box below

If necessary, please continue on a separate sheet.

On 22nd January 2020, the Petitioner informed the Company that the final hearing would be listed on Friday 31st January at 2pm. Today, the Petitioner forwarded the Company a Notice of Listing dated today and listing the matter on that date. The Company sought consent to the adjournment but the Petitioner has not agreed and the Company has no choice but to make this application. The Order of 2nd August 2019 of Deputy ICC Judge Schaffer lists the matter with a time estimate of 2 hours and 1 hour of Judicial reading but the current listing is for 2pm on a Friday so there is s risk that the matter may not conclude.

On 6th September 2019, Master Rowley made an Order in the proceedings, at the Senior Courts Costs Office ("SCCO"). These proceedings will soon conclude with an Order. The Petitioner is a firm fo solicitors that has brought the Petition on the issue of solicitor's fees. The Company has applied to the Master at SCCO for adjudication. The Company believes that the Order from Master Rowley will greatly assist the Court and resolve the position between the Petitioner and the Company in respect of the Petitioner's solicitor's fees.
The Company has no objection to the matter being discussed directly between the two respective Courts within the High Court i.e. the SCCO and the Companies Court (Chd), the Insolvency and Companies List Office.

Statement of Truth

~~(I believe)~~ (The applicant believes) that the facts stated in this section ~~(and any continuation sheets)~~ are true.

Signed _____ Dated 23rd January 2020

~~Applicant('s legal representative)('s litigation friend)~~

Full name Benjamin Dives

Name of applicant's legal representative's firm _____

Position or office held Director
(if signing on behalf of firm or company)

11. Signature and address details

Signed _____ Dated 23rd January 2020

~~Applicant('s legal representative's)('s litigation friend)~~

Position or office held Director
(if signing on behalf of firm or company)

Applicant's address to which documents about this application should be sent

Kemp House
160 City Road
London

Postcode E C 1 V 2 N X

If applicable	
Phone no.	
Fax no.	
DX no.	
Ref no.	

E-mail address	

Notice.pdf

Date: 23 January 2020

Pages: 1

SUMMARY

Document dated 23 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

Notice of change of legal representative

Note:
You should tick either box A **or** B as appropriate **and** box C. Complete details as necessary.

In the	Claim No.
High Court of Justice, Business and Property Courts	CR-2019-001356
Name of Claimant *(including ref.)*	
Squire Patton Boggs (UK) LLP	
Name of Defendant	
Dragon Payments Ltd (formally London Block Exchange Limited)	

I (We) give notice that

A ☑ my legal representative *(insert name and address)*

W LEGAL, 12 Summit House, 12 Red Lion Square, London, WC1R 4QH

has ceased to act for me and I shall now be acting in person.

B ☐ we (*insert name of legal representative*)

have been instructed to act on behalf of the claimant (defendant) in this claim

in place of *(insert name and address of previous legal representative).*

C ☑ I (we) have served notice of this change on every party to the claim (and on the former legal representative).

Address to which documents about this claim should be sent (including any reference)

	If applicable	
Kemp House 160 City Road London EC1V 2NX Postcode EC1V 2NX	Telephone no.	
	Fax no.	
	DX no.	
	Your ref.	

E-mail	

Signed | **Position or office held**: Director

(Claimant)(Defendant)('s legal representative)
(Litigation friend)

If signing on behalf of firm or company

Date 23/01/2020

DOCUMENT 37 OF 45

SubmissionConfirmation3219315798011577 41 23.1.20.pdf

Date: 23 January 2020

Pages: 1

SUMMARY

Document dated 23 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

E-Filing Submission Confirmation

The following electronic filing(s) were successfully submitted. Please keep a copy of this confirmation for your records.

Submitted Number 321931579801157741
Submitted Date 23-01-2020 05:49 PM

Filings Submitted:

Court	Case Number	Matter/Ref. Number	Filing Type(s)	Documents	Fees
Insolvency & Company List (ChD)	CR-2019-001356		Non Originating Application (Insolvency Act) - Application within Bankruptcy Proceedings	2	£ 95.00
Total					£ 95.00

Fourth Witness Statement and Exhibit - Russ Hill.pdf

Date: 27 January 2020

Pages: 14

SUMMARY

Document dated 27 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

On behalf of: Petitioner
Made by: Russell Hill
Fourth statement
Made on: 27 January 2020
Exhibits: RH4

CLAIM NO: CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986
AND IN THE MATTER OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016
BETWEEN:

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD (NOW KNOWN AS DRAGON PAYMENTS LIMITED)

Respondent

FOURTH WITNESS STATEMENT OF RUSSELL HILL

I, **RUSSELL HILL** of Squire Patton Boggs (UK) LLP, solicitor, of Rutland House, 148 Edmund Street, Birmingham, B3 2JR will say:

Introduction

1 I am a partner in the Petitioner firm in the proceedings and I make this statement to assist the Court in respect of the application for an adjournment made by the Respondent on 23 January 2020.

2 I am duly authorised to make this Witness Statement on behalf of the Petitioner.

3 All facts and matters contained in this statement are true to the best of my knowledge.

4 Unless otherwise stated, the contents of this statement are based on my own knowledge. Where the matters to which I refer are derived from other sources, I have explained the source of my information and the matters are true to the best of my belief.

5 There is now produced and shown to me marked "**RH4**" a paginated bundle of true copy documents to which I shall refer in this statement. All references to page numbers are to page numbers in RH4.

6 The winding up petition to which this matter relates was issued on 25 February 2019 and relates to two unpaid invoices dated 29 March 2018 and 25 April 2018 respectively (the "**Invoices**").

7 After the petition was issued, on 4 April 2019, more than 12 months after the first invoice was created and more than 11 months after the second invoice was created, the Respondent issued a claim in the Senior Court Costs Office ("SCCO") disputing the validity of the Invoices. The application was made despite a significant amount of correspondence from the Respondent agreeing the quantum of the Invoices and making numerous promises to pay the Invoices. Copies of that correspondence appear in the exhibit to my second witness statement dated 1 May 2019.

8 The Respondent's application to the SCCO stated that there was a dispute as to whether "*there has ever been and continues a proper and complete retainer between the parties*" and that the Invoices "*did not comply with Section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors Bill under the 1974 Solicitors Act*". The application was made despite the significant amount of correspondence from the Respondent, acknowledging the retainer between the parties; acknowledging receipt of the engagement letter between the parties; agreeing the quantum of the Invoices and making numerous promises to pay the Invoices. Copies of that correspondence also appear in the exhibit to my second witness statement dated 1 May 2019.

9 At the first hearing of the petition on 10 April 2019, the Respondent sought and obtained an adjournment to allow the costs proceedings to be determined.

10 The petition was listed again for a non attendance pre trial review on 5 July 2019 and then listed for a further directions hearing together with the adjourned PTR on 2 August 2019.

11 Prior to the non attendance pre trial review, on the 19 June 2019, the Respondent made a further application for the petition to be adjourned to a date "*after/at end of September 2019*" again, to allow the SCCO proceedings to be determined.

12 At the directions hearing for the petition on the 2 August 2019, an order was made for the listing of the final hearing of the petition to the first open date after 1 December 2019.

13 At a hearing of the SCCO proceedings on 6 September 2019 Master Rowley concluded unequivocally that there was a retainer between the parties and that the Invoices were interim statute bills. The purported substantive disputes raised by the Respondent therefore failed. Master Rowley made further directions with regard to an assessment of costs and provided for either party to request a hearing after 25 October 2019. A copy of that Order appears at page 1.

14 Following the terms of Master Rowley's Order, my firm wrote to the respondent on 16th October 2019, promptly serving our points of dispute and invited the Respondent to request a hearing in accordance with paragraph 6 of the Order. Despite our request, the Respondent failed to request a hearing. A copy of that letter appears at page 2.

15 On 29th October 2019 we wrote again to the Respondent seeking confirmation that the Respondent had requested a hearing in their SCCO proceedings. Despite our letter, the Respondent failed to request a hearing. A copy of that letter appears at page 3.

16 On 7th November 2019 we wrote again, by way of email from our Andrew Proctor to the Respondent's costs lawyer, Paul White, seeking confirmation that the Respondent was intending to make an application for a hearing and warning specifically that, due to the existence of the winding up proceedings, we were not prepared to let the matter be delayed further. A copy of that email and the response appear at pages 4-6. Despite our letter, the Respondent still failed to request a hearing.

17 Finally, on 23rd December 2019, as the Respondent had failed to make an application in the nine weeks since we had served our points of dispute, we made an application for a hearing and paid the relevant Court fee, in order to progress the Respondent's SCCO proceedings. A copy of our letter to the Court appears at pages 7 and 8. It is not clear and has not been explained to us, why the Respondent failed to request the hearing, particularly when it was the Respondent who brought the proceedings and the Respondent who specifically requested the petition be listed "*after/ at the end of September 2019*". We can only conclude that this was simply intended to cause further delay and disruption to the winding up proceedings.

18 The Respondent's application in these proceedings now states that "*the [Respondent] has applied to the Master at the SCCO for adjudication*". For the reasons set out above, this is simply incorrect. The Respondent has made no attempt to progress the SCCO proceedings.

19 In my second witness statement dated 1 May 2019, I notified the Court that three supporting creditors had filed notices of intention to appear with debts totalling £141,134.94. By the time of the last hearing on 2 August 2019, a further two supporting creditors had also filed notices of intention to appear with debts totalling £515,378.64. As at the date of this statement, a further seven supporting creditors have filed notices of intention to appear with debts totalling £329,578.30. The Petition therefore now has twelve supporting creditors with debts totalling £986,091.88.

20 A number of those most recent creditors are former employees of the Respondent who are owed significant sums by the Respondent. Their potential recovery is being frustrated and prejudiced by the Respondent's continued attempts to delay the hearing of the Petition.

21 On the basis that the Respondent's challenge to the Petitioning Creditors' invoices has been dealt with by Master Rowley in the SCCO proceedings and on the basis that the Respondent only sought an adjournment of these proceedings until after that determination on 6 September 2019, there is no reason why the winding up proceedings cannot progress. The Respondent has simply used the SCCO proceedings as a delaying tactic and in doing so has caused the total claim of supporting creditors to increase dramatically.

22 I note that the Respondent claims to have placed £13,000 with the Petitioning Creditor (although this money did not in fact come from the Respondent and the Petitioning Creditor has instructions not to allocate this money), however, the Respondent has not offered to place any sums with the Petitioning Creditor in respect of its costs of these proceedings, which continue to accrue. Therefore the £13,000 offers little comfort and the Petitioning Creditor simply wishes to proceed to a winding up hearing which is in the best interests of the creditors as a whole.

23 The legal advisors previously advising the Respondent have ceased to act in both the SCCO proceedings and in these proceedings. The Respondent is now acting in person with the assistance of Counsel engaged under the Direct Access Scheme.

24 On 3 July 2019 the Respondent filed accounts which demonstrates that it is balance sheet insolvent. The significant number of supporting creditors, in number and value, indicates that the Respondent is also cash flow insolvent. In the circumstances, the Respondent is insolvent within the definition of the Insolvency Act 1986 and should be wound up by this Court without any further delay.

I believe that the facts stated in this witness statement are true.

Dated 27/1/2020

.....

RUSSELL HILL

On behalf of: Petitioner
Made by: Russell Hill
Fourth statement
Made on: 27 January 2020
Exhibits: RH4

CLAIM NO CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF LONDON BLOCK
EXCHANGE LTD
AND IN THE MATTER OF INSOLVENCY ACT
1986
AND IN THE MATTER OF THE INSOLVENCY
(ENGLAND AND WALES) RULES 2016
BETWEEN:

SQUIRE PATTON
BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK
EXCHANGE LTD

Respondent

FOURTH WITNESS STATEMENT OF RUSSELL HILL

Squire Patton Boggs (UK) LLP
Rutland House, 148 Edmund Street,
Birmingham, B3 2JR
Tel: +44 121 222 3000
Fax:+44 121 222 3001
Ref: LON.333-0001

Solicitors for the Petitioner

On behalf of: Petitioner
Made by: Russell Hill
Fourth statement
Exhibit: "RH4"
Made on: 27 January 2020
Filed on: 27 January 2020

CASE NO CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP	**Petitioner**
and	
LONDON BLOCK EXCHANGE LTD	**Respondent**

EXHIBIT RH4

This is the exhibit marked **RH4** referred to in the second statement of Russell Hill made on 27 January 2020

ORDER

SENIOR COURTS COSTS OFFICE 11 SEP 2019

In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties		
	London Block Exchange Limited	Claimant
	-and-	
	Squire Patton Boggs UK LLP	Defendant

On 6 September 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON the preliminary issues hearing ordered on 30 April 2019

AND UPON HEARING counsel and the costs lawyer for the Claimant and counsel for the Defendant

IT IS DECLARED that:

(1) The answers to the preliminary issues are:`

(a) There was a retainer between the Claimant and the Defendant.

(b) The invoices numbered 2622803 and 2624225 are interim statute bills.

BY CONSENT IT IS ORDERED that:

(2) Master Rowley will carry out a paper assessment of the invoices once the following directions have been complied with.

IT IS ORDERED that:

(3) By 4pm on 20 September 2019 the Defendant is to serve a breakdown of costs (including a cash account) upon the Claimant.

(4) By 4pm on 11 October 2019 the Claimant is to serve Points of Dispute upon the Defendant.

(5) If the Defendant wishes to serve a reply, it is to do so by 4pm on 25 October 2019.

(6) Either party may file a request for a hearing date in Form N258C together with the appropriate fee after 25 October 2019.

(7) The Defendant is to lodge its papers with the court either with the N258C or upon notification that the Claimant has filed an N258C. The Defendant may provide its documents to the court in electronic format subject to any requirements of the court.

(8) Costs reserved.

(1)

SQUIRE PATTON BOGGS

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squirepattonboggs.com

Andrew Proctor
T +44 113 284 7680
DF +44 870 458 2720
andrew.proctor@squirepb.com

16 October 2019

By 1st Class Post & e-mail: pwhitels@aol.com

PA White & Co International Maritime & Commercial Costs Lawyers
14 Fordyche Close
Hornchurch
Essex
RM11 3LE

Our ref AP17/HAM.150-0220

Dear Sirs

London Block Exchange Ltd v Squire Patton Boggs (UK) LLP

Further to service of Points of Dispute and the order of 6 September 2019, we enclose Replies to Points of Dispute.

In accordance with paragraph 6 of the order please request a hearing date. Please promptly advise us when you have filed an N258C in order that we can comply with paragraph 7 of the order.

Yours faithfully

Squire Patton Boggs (UK) LLP

Squire Patton Boggs (UK) LLP

44 Offices in 19 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

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Andrew Proctor
T +44 113 284 7680
DF +44 870 458 2720
andrew.proctor@squirepb.com

29 October 2019

By 1st Class Post & e-mail: pwhiteis@aol.com

PA White & Co International Maritime & Commercial Costs Lawyers
14 Fordyche Close
Hornchurch
Essex
RM11 3LE

Our ref AP17/HAM.150-0220

Dear Sirs

London Block Exchange Ltd v Squire Patton Boggs (UK) LLP

Further to our letter of 16 October 2019 can you confirm whether you have requested a hearing date pursuant to paragraph 6 of the order of 6 September 2019? If not, can you confirm your client's intentions in this regard? Is your client going to request a hearing? If so, when does it intend asking for a hearing? If it doesn't intend asking for a hearing, why not, given that this action was brought by your client?

We look forward to hearing from you shortly.

Yours faithfully

Squire Patton Boggs (UK) LLP

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Proctor, Andrew

From: Paul White <pwhiteis@aol.com>
Sent: 08 November 2019 12:31
To: Proctor, Andrew
Subject: [EXT] Re: LBE v SPB [I-EUR.FID9197139]

Dear Andrew,

Please note that I have been reviewing this matter with my clients and will have instructions on how they wish to proceed on Monday.

Regards,

Paul White
Costs Lawyer
Tel: 01708 453730

-----Original Message-----
From: Proctor, Andrew <andrew.proctor@squirepb.com>
To: Paul White <pwhiteis@aol.com>
Sent: Thu, 7 Nov 2019 12:00
Subject: RE: Re: LBE v SPB [I-EUR.FID9197139]

Dear Paul,

Can you now confirm your client's position and instructions?

As discussed, we are not prepared to let this drift, particularly given the other pending proceedings. As confirmed in our call, we will request a hearing (as permitted by the order) if your client is not intending doing so. I simply need to know what stance your client is taking.

Should I not hear back from you by noon tomorrow then I can only assume that your client is not going to ask the Court for a hearing and the Court can draw whatever inference from that. I will then proceed to make arrangements to request the hearing and compile the papers in accordance with para 7 of the 6/9/19 order.

Regards

Andrew

SQUIRE PATTON BOGGS

Andrew M. Proctor
Director of Costs
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6 Wellington Place
Leeds
LS1 4AP
England

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F +44 870 458 2720
M +44 771 230 4919
M Mobex 257680

andrew.proctor@squirepb.com | squirepattonboggs.com

(4)

Professional Services Firm of the Year – Yorkshire

From: Paul White <pwhiteis@aol.com>
Sent: 05 November 2019 13:55
To: Proctor, Andrew <andrew.proctor@squirepb.com>
Subject: [EXT] Re: LBE v SPB [I-EUR.FID9197139]

Dear Andrew,

Thank you for your email with attached copy order as discussed.

I confirm that I am just waiting on instructions to file a request for a hearing date pursuant to para (6) of the order of Master Rowley. It is also noted that either party may file the request in form N258C.

Kind regards,

Paul White
Costs Lawyer
Tel: 01708 453730

-----Original Message-----
From: Proctor, Andrew <andrew.proctor@squirepb.com>
To: Paul White <pwhiteis@aol.com>
Sent: Tue, 5 Nov 2019 13:14
Subject: LBE v SPB [I-EUR.FID9197139]

Dear Paul,

As discussed, copy order attached.

Regards

Andrew

SQUIRE PATTON BOGGS

Andrew M. Proctor
Director of Costs
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(5)

Professional Services Firm of the Year – Yorkshire

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44 Offices in 19 Countries.

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#UK

6

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andrew.proctor@squirepb.com

23 December 2019

Senior Court Costs Office
Thomas More Building
Royal Courts of Justice
Strand
London WC2A 2LL

Our ref AP17/HAM.150-0220

Your ref JR1902065

Dear Sirs

London Block Exchange Limited v Squire Patton Boggs (UK) LLP

As the Claimant has not filed a request for Detailed Assessment hearing on this matter, we enclose form N.268C together with a cheque for £369.00 and a Statement of Parties.

We refer you to the order of Master Rowley dated 6 September 2019 paragraphs 2,6 and 7 and invite a paper assessment of the invoices.

Also enclosed with this letter is a lever arch file of documents containing the following:

1. The two invoices numbered 2622803 and 2624255 which are the subject of the assessment.

2. The internal time records of Squire Patton Boggs (UK) LLP ("SPB") supporting those invoices.

3. Copy documents extracted from SPB's electronically held file. This particularly consists of copy e-mails. In order to hopefully assist the Court, we have tried not to include duplicates where there has been a chain of e-mails. Instead we have copied the latest e-mail. This reduces the provision of duplicated documents and we hope avoids confusion.

4. Copy Breakdown

5. Points of Dispute

6. Reply to Points of Dispute

There has been significant work done and numerous communications with the Claimant after delivery of the invoices but those documents are not provided. We refer the Court to the

47 Offices in 20 Countries

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witness statement of Mr Russell Hill, partner of SPB dated 24 June 2019 for further information.

We look forward to hearing from you and please do contact the writer on the above contact details should you require any further information or assistance with the assessment.

Yours faithfully

Squire Patton Boggs (UK) LLP

8

DOCUMENT 39 OF 45

Documents for your records.pdf

Date: 29 January 2020

Pages: 6

SUMMARY

Document dated 29 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

Our Ref: PC/DE/D1026/CVL1-L2/Stg1

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900
Facsimile: 020 7242 3233
E-Mail: [addressee]@drpartners.com
Website: www.drpartners.com

Mr Benjamin Dives
Kemp House
160 City Road
London
EC1V 2NX

29 January 2020

Dear Benjamin

DRAGON PAYMENTS LIMITED ("THE COMPANY")
PROPOSED CREDITORS' VOLUNTARY LIQUIDATION

Further to your recent instructions to us to assist the director to place the Company into liquidation, you are required in the first instance to convene a Board Meeting for the purpose of considering and passing a number of resolutions. In this respect, I enclose all the relevant forms and documents as follows:

Documents to be produced at the Board Meeting:

1. My letter to you, as the nominated Chairman of the Members' meeting and Convener of the creditors' Decision Procedure stating for the purpose of Rule 6.20(4) of the Insolvency (England and Wales) Rules 2016, confirming that I am an Insolvency Practitioner duly qualified and consenting to act as Liquidator of the Company. This should be produced to the Board as evidence of my willingness to act as Liquidator.

2. A schedule of the work that I am required to carry out on behalf of the directors as Reporting Accountant, and my Firm's quotation for this work.

3. My Firm's Letter of Engagement (2 copies), which has been sent to you under separate cover, for discussion and approval by the Board. Please note that this is a standard letter which my Firm is required to issue to you in accordance with the requirements of our Professional Regulatory Body, which sets out the terms of our engagement and our respective duties. If approved, a signed copy of this letter should be returned to me.

4. Draft Minutes of the Directors' Meeting which you can use as the Agenda for the Board Meeting. This draft is in a format that if passed by the Board, may be signed by the Chairman after the meeting. Please insert the time and location at which the meeting was held where indicated.

Cont/d...2

5. A letter from the Company instructing my Firm to assist the Director to place the Company into liquidation.

6. Form S72 - Notice to Shareholders of a General Meeting of the Company to pass a Special Resolution to wind-up the Company. **Please date and sign this form.**

7. Notice of Virtual Meeting of Creditors for advertised in the London Gazette. **Please date and sign this form**.

8. A list of information to be supplied by the Company (sent under separate cover).

Assuming that the Board is in agreement, would you please complete and sign all these documents as soon as possible and return them to this office.

Yours sincerely

PAUL COOPER
DAVID RUBIN & PARTNERS

Paul Cooper and Paul Appleton are licensed to act as Insolvency Practitioners in the UK by the ICAEW

Encs.

Our Ref: PC/DE/D1026/CVL1-L2/Stg1

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900
Facsimile: 020 7242 3233
E-Mail: [addressee]@drpartners.com
Website: www.drpartners.com

Dragon Payments Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 January 2020

Dear Sir / Madam

DRAGON PAYMENTS LTD

Further to our recent communication, I would inform you that I am an Insolvency Practitioner duly qualified and licensed under the Insolvency Act 1986 to be Joint Liquidator of the above-named Company.

For the purpose of Rule 6.20(4) of the Insolvency (England and Wales) Rules 2016, I am pleased to confirm that I consent to act as Joint Liquidator of the Company. I also confirm that I hold the necessary security for the proper performance of my functions as Joint Liquidator and would inform you that my appointment may or may not be ratified by creditors on the **Decision Date**.

Yours faithfully

PAUL COOPER
DAVID RUBIN & PARTNERS

Paul Cooper is licensed to act as an Insolvency Practitioner in the UK by the ICAEW

Our Ref: PC/DE/D1026/CVL1-L2/Stg1

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900
Facsimile: 020 7242 3233
E-Mail: [addressee]@drpartners.com
Website: www.drpartners.com

Dragon Payments Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 January 2020

Dear Sir / Madam

DRAGON PAYMENTS LTD

Further to our recent communication, I would inform you that I am an Insolvency Practitioner duly qualified and licensed under the Insolvency Act 1986 to be Joint Liquidator of the above-named Company.

For the purpose of Rule 6.20(4) of the Insolvency (England and Wales) Rules 2016, I am pleased to confirm that I consent to act as Joint Liquidator of the Company. I also confirm that I hold the necessary security for the proper performance of my functions as Joint Liquidator and would inform you that my appointment may or may not be ratified by creditors on the **Decision Date**.

Yours faithfully

PAUL APPLETON
DAVID RUBIN & PARTNERS

Paul Appleton is licensed to act as an Insolvency Practitioner in the UK by the ICAEW

DRAGON PAYMENTS LTD

DAVID RUBIN & PARTNERS AS REPORTING ACCOUNTANTS

DETAIL OF TASKS THAT ARE COMMONLY CARRIED OUT WHEN PLACING A COMPANY INTO LIQUIDATION AND QUOTATION FOR THE WORK:

1. Engaging with accountants: re Company information and financial information -
2. DRP Project Management Meetings
3. Collating information, creating case file and preparing database on DRP Insolvency Suite ("IPS), viz.
   - i. Statutory information: Co. Number, Directors etc
   - ii. HMRC & Cred. References, etc.
   - iii. List of Assets
   - iv. Creditors and amount owed
4. Meeting and discussion re arranging for signing of documents
5. Creating Case file on Web Portal
6. Accessing Companies House Website: downloads of documents, verifying Statutory information as provided by the Company
7. Entering Set Up details onto IPS: Company Information; Directors Information, Creditors information; Assets and Liabilities
8. Carrying Out Conflict Reviews
9. Completing Bribery Act Reviews
10. Preparing and carrying out MLR enquiries
11. Preparing Letter of Engagement
12. Preparing IP's Consent to Act Letter with list
13. Preparing Draft Minutes of Board Meetings
14. Preparing Liquidation Documents:
    - i. Member's Proxy Form
    - ii. Preparing Notice to Members of General Meetings or Written Resolutions
    - iii. Preparation of Notice of Decision Procedure of Creditors including the extensive information stipulated in the Rules,.
    - iv. Providing an estimate of the Proposed Liquidator's remuneration for the purpose of fixing the basis of the Liquidator's remuneration.
    - v. Preparing Director's Report in respect of financial information to be provided to creditors (SIP 6)
    - vi. Preparation of Directors' Statement of Affairs including Members and Creditors List
    - vii. Preparation of Directors' Statement of Truth
    - viii. Reviewing Gazette Adverts and monitoring copies received from the agents, Courts Advertising
    - ix. Draft Minutes of General Meeting / Notes of Control of Written Resolutions
    - x. Draft Report to Creditors of result of Decision Procedures
    - xi. Draft Certificate of Liquidator's Appointment by Company
    - xii. Draft Special Resolutions for filing at Companies House
    - xiii Draft Special Resolutions and Resolution/Decision of Liquidator's appointment for placing in the London Gazette
    - xiv Creditors' Forms for request of a physical creditors' Meeting
    - xv. Proof of Debts Forms
15. Verifying all documents properly signed by Director and Shareholders and collating
    - i. Statement of Truth
    - ii. Statement of Affairs
    - iii. List of Creditors – categorised by class.
    - iv List of Shareholders – categorised by class

DRAGON PAYMENTS LTD

DAVID RUBIN & PARTNERS AS REPORTING ACCOUNTANTS

DETAIL OF TASKS THAT ARE COMMONLY CARRIED OUT WHEN PLACING A COMPANY INTO LIQUIDATION AND QUOTATION FOR THE WORK:

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

DRP'S

We may agree a fixed fee for this work. However, our fees are normally calculated on the basis of time spent at hourly rates, dependent on the level of experience of the individual, in respect of the services to be rendered by us. Our current rates exclusive of VAT, which are charged in units of 6 minutes, are shown below:-

	£
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Support Staff	120 – 150

The time necessary to complete the work will be influenced by the complexities of the Company's financial affairs, the state of its books and records and co-operation received from the Company and its accounting department.

We propose to charge an initial fee of £6,000 Plus VAT with the proviso that should the time incurred exceed this sum, additional fees may be charged with creditors' approval. Further details have been provided in section 8 of the enclosed draft Letter of Engagement which also includes my Firm's charge out rates for this work.

Funds to cover the initial fee plus VAT are to be deposited with DRP to be held specifically to defray the above costs and may be invoiced and drawn before or immediately upon the Company entering liquidation, at the discretion of DRP.

DOCUMENT 40 OF 45

Documents to be signed (1).pdf

Date: 29 January 2020

Pages: 10

SUMMARY

Document dated 29 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF

DRAGON PAYMENTS LTD

HELD AT KEMP HOUSE, 160 CITY ROAD, LONDON, EC1V 2NX

ON 29 JANUARY 2020 AT 9:15AM

Present:	Benjamin Martin Dives	- Chair
In attendance:	Paul Cooper (via Telephone)	- David Rubin and Partners

The Company's financial position was discussed and the view was taken that the Company cannot by reasons of its liabilities continue its business, and it is advisable to wind-up the Company voluntarily.

The Chair reported that David Rubin & Partners ("DRP"), a firm of Insolvency Practitioners have been consulted to assist in the formalities. The Chair produced to the meeting:

i. Mr Paul Cooper and Paul's Appleton's consent to act as Joint Liquidators of the Company;

ii. a schedule prepared by DRP of the work that is necessary to place the Company into liquidation, which includes a quotation for the work;

iii. a draft Letter of Engagement from DRP setting out terms and conditions for the assignment.

After discussions, the following Resolutions were passed:-

IT WAS RESOLVED by the Board, having considered that the quotation provided by DRP for the work as Reporting Accountants is reasonable, that it be accepted. The Director personally undertakes to discharge the approved initial fee and disbursements of DRP, in carrying out the Board's instructions in the event that the assets of the Company are insufficient to meet such fees and disbursements and that additional fee based on time cost may be taken with the approval of creditors.

IT WAS FURTHER RESOLVED to approve the contents set out in DRP's Letter of Engagement and the Chair was authorised to sign and return a copy to DRP on behalf of the Board.

IT WAS FURTHER RESOLVED that a General Meeting of the Company's shareholders be convened for the purposes of considering and, if thought fit, passing the Special Resolution and Ordinary Resolution respectively as noted hereunder:

> "**That** the Company be wound-up voluntarily and **that** Paul Cooper and Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE be and are hereby appointed Joint Liquidators for the purposes of such winding-up".

IT WAS FURTHER RESOLVED that creditors' Decision be sought on the nomination of a Liquidator in accordance with Rule 6.14(2) of the Insolvency (England and Wales) Rules 2016 on a date to be confirmed and that DRP be instructed to send notices to the shareholders and creditors and to insert copies, thereof as applicable, in the London Gazette and, place such further advertising that is considered appropriate.

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF

DRAGON PAYMENTS LTD

Continued

IT WAS FURTHER RESOLVED that instructions be given to DRP to assist the Director in the preparation of the Director's Statement of Affairs and the Financial Information Report to creditors, and to advise on the financial control of the Company up to the date of the passing of an effective resolution for the winding-up of the Company.

IT WAS FURTHER RESOLVED that DRP be and are hereby authorised to instruct such professional valuers as are necessary for confirming asset values in the preparation of the Statement of Affairs.

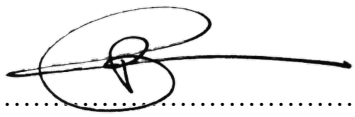
IT WAS FURTHER RESOLVED that Benjamin Dives, being a director of the Company, be appointed as Convener and Chair of the Decision Procedure or Deemed Consent Procedure.

IT WAS FURTHER RESOLVED that DRP be and are hereby authorised to discharge their initial fee plus VAT and disbursements immediately after the passing of the Special Resolution of Members, at their discretion, as set out in their quotation from the funds deposited with and held by them on a client's account for the specific purpose of defraying these expenses.

IT WAS FURTHER RESOLVED that DRP be empowered to pay into their clients' account all further monies received by the Company prior to the Company entering into liquidation and to use those funds to discharge all liabilities in respect of costs and expenses properly incurred prior to the appointment of a liquidator including payments to employees and suppliers, and to pass over the balance in that account, if any, to the Liquidator following his/her appointment.

IT WAS FURTHER RESOLVED that the members be requested to consent to the shareholders' meeting being held at short notice, if appropriate.

IT WAS FURTHER RESOLVED that the registered office of the Company be changed to 26 - 28 Bedford Row, London, WC1R 4HE.

Signed  .....

BENJAMIN MARTIN DIVES - CHAIR

DRAGON PAYMENTS LTD

29 January 2020

Paul Cooper & Paul Appleton Esq.
David Rubin & Partners
26 - 28 Bedford Row
London WC1R 4HE

Dear Messrs Paul Appleton and Paul Cooper

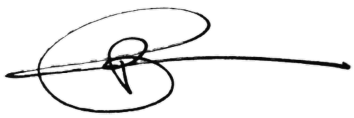
Following our recent meeting, we confirm that you are instructed to assist us to prepare the Director's Report and the Statement of Affairs of the Company, to assist with the Decision Procedure or Deemed Consent Procedure of the Creditors of the Company and to contact all known creditors of the Company in respect of that procedure. Where applicable would you please obtain specialist valuations of assets of the Company.

Funds collected in respect of assets of the Company together with any book debts are to be held for and on behalf of the Creditors of the Company pending the appointment of liquidators.

You are also instructed to advise on the day to day matters of the Company, with the overall view of protecting the interests of the Creditors and to receive adequate remuneration from realised assets to cover your time costs and expenses.

The quotation you have provided for the work to be carried out by your Firm as Reporting Accountants was discussed by the Board and accepted. The Board also reviewed your Letter of Engagement and again this was approved and I enclose a signed copy as requested.

Yours sincerely
For and on behalf of the Board



BENJAMIN DIVES - DIRECTOR

COMPANIES ACT 2006

S72

Notice to members of meeting to pass special resolution to wind-up an insolvent company

Company number

10966096

Name of company

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

NOTICE IS HEREBY GIVEN that a General Meeting of the shareholders of the Company will be held at on 14 February 2020 at 1st Floor, 26 - 28 Bedford Row, London, WC1R 4HE, precisely, for the purpose of considering and, if thought fit, of passing the following resolution as a **SPECIAL RESOLUTION**:-

1) "That the Company be wound-up voluntarily, and that

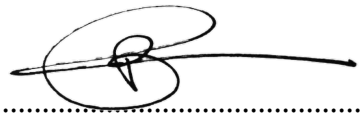
Paul Cooper, F.C.A.
of David Rubin & Partners
26 - 28 Bedford Row
London
WC1R 4HE

Paul Appleton, F.C.A.
of David Rubin & Partners
26 - 28 Bedford Row
London
WC1R 4HE

be and they are hereby appointed Joint Liquidators for the purposes of such winding-up"

Dated: 29 January 20120

By order of the Board



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BENJAMIN DIVES - DIRECTOR

A Member entitled to attend and vote at the above-mentioned Meeting is entitled to appoint a proxy, who need not be a Member of the Company, to attend and vote instead of him.

Notes:
(1) Delete that which does not apply
(2) Delete if it does not apply

NOTICE OF DECISIONS BEING SOUGHT FROM CREDITORS
BY A DECISION PROCEDURE – VIRTUAL MEETING

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED)
(the Company)
Registered Number - 10966096

This notice is given pursuant to Part 6 and 15 of the Insolvency (England and Wales) Rules 2016 (**the Rules**).

THE PROPOSED DECISIONS

Benjamin Dives, the director of the Company, in his capacity as the Chair of the Company's Board of Directors (**the Convener**), gives notice that a Virtual Meeting of the Company's creditors is to be held at 10:15am on 14 February 2020 (**the Decision Date**) for the purpose of considering and making the following proposed Decisions:-

1. **THAT** creditors decide on the nomination of a Liquidator. It is proposed that Paul Cooper, and Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE, be appointed Joint Liquidators.

2. **THAT** the unpaid pre-appointment costs of David Rubin & Partners as detailed below be approved for payment.

3. **THAT** the Joint Liquidators' remuneration be fixed by reference to the time spent by themselves and their staff in attending to matters arising in the winding-up, as detailed in the fees estimate/information provided to creditors with the Decisions Notice to creditors, and that the Joint Liquidators be authorised to draw their remuneration on account as and when funds permit.

4. **THAT** the Joint Liquidators be authorised to draw category 2 disbursements on the basis of his firm's published tariff, as disclosed to creditors and that the Joint Liquidators be authorised to be reimbursed such disbursements as and when funds permit.

5. **Whether** a liquidation committee should be established if sufficient creditors are willing to be members of a committee and if so, who the creditors' wish to nominate for membership of the committee. Information on the role of a liquidation Committee can be found in the Publications folder on David Rubin & Partners' website at www.drpartners.com/cases using the following username and password to log in:-

   USERNAME: D1026@drco.co.uk PASSWORD: 6201Dde*!

Access details

It is proposed that the Virtual Meeting will be by Telephone Conferencing, hosted by David Rubin & Partners. For security reasons and to limit access to only those who are entitled to participate in the Decision Procedure, if you wish to join the meeting, for access details, please telephone Kyer Cooper of David Rubin & Partners on 020 7400 7900 quoting reference PC/DE/KC/D1026.

The Virtual Meeting may be suspended or adjourned by the chair of the meeting (and must be adjourned if it is so resolved at the meeting).

Entitlement to vote

In order to be entitled to vote at the meeting (either in person or by proxy), creditors must have submitted a proof in respect of their claim to the Convener via the contact details below, by no later than 4pm on the business day immediately before the meeting.

Any creditor entitled to attend and vote at the meeting is entitled to do so either in person or by proxy and a form of proxy is enclosed with the letter accompanying this notice. If you cannot attend and wish to be represented at the meeting, a completed proxy form must be delivered to the Convener via the contact details below, prior to the meeting.

Creditors' committee – nominations

Any nominations for membership of the committee will only be accepted if the Convener is satisfied as to the nominee's eligibility to be a member of such committee under Rule 17.4 of the Rules. Please note that nominations for membership can also be made on the proxy form accompanying this notice.

Under Rule 17.4, a creditor is eligible to be a member of such a committee if the creditor has proved for a debt, the debt is not fully secured and the proof has not been wholly disallowed for voting purposes or wholly rejected for the purpose of distribution or dividend. Please note that a person cannot be a member as both a creditor and a contributory and whilst a body corporate may be a member of a creditors' committee, it can only act through a representative appointed under Rule 17.17.

Complaint in relation to conduct of the meeting

Any person who claims to be an excluded person or attends the meeting and claims to have been adversely affected by the actual, apparent or claimed exclusion of another person, may make a complaint in accordance with Rule 15.38 of the Rules. Such a complaint must be made by no later than 4pm on the business day following the meeting, or where the complainant has sought an indication of what occurred during the period of exclusion, under Rule 15.37, by no later than 4pm on the business day following the complainant receiving the indication.

Appeal of Convener's decision

Pursuant to Rule 15.35 of the Rules, any creditor may apply to the court to appeal a decision of the Convener. However, an appeal must be made within 21 days of the Decision Date.

Creditor information

A list of the names and addresses of the Company's creditors will be available for inspection, free of charge, by David Rubin & Partners at 26 - 28 Bedford Row, London, WC1R 4HE on the two business days immediately before the Decision Date.

Resolution that the Company be wound up voluntarily

The Written Resolutions that the Company be wound up voluntarily will be counted by the Convenor, or on his behalf, on the Decision Date, in order to ascertain whether the requisite majority has been obtained.

Statement of Affairs

Pursuant to Section 99 of the Insolvency Act 1986, the directors of the Company are required before the Decision Date and before the end of the period of 7 days beginning with the day after the day on which the Company passes a resolution for winding up, to make out a statement (in the prescribed form) as to the affairs of the Company and to send the same to the Company's creditors.

Pre-appointment costs

The services provided by David Rubin & Partners (DRP) were requested by the directors and given for the benefit of creditors of the Company. The Insolvency (England and Wales) Rules 2016 provide that any reasonable and necessary expenses associated with these services may be paid out of the Company's assets after the commencement of the liquidation as an expense of it. If approval for the costs as an expense of the liquidation is sought, this must be from any liquidation committee (if appointed) or if no committee, from creditors.

On behalf of the Company, the directors have approved the pre-appointment costs as a set amount of £6,000 plus VAT and disbursements in respect of assistance to be rendered in connection with the steps necessary to place the Company into liquidation, which includes the preparation of the Statement of Affairs, a brief report on the financial position of the Company including the events leading up to its failure, and assistance given to the directors to deal with the work required to seek a Decision of the Company's creditors over the nomination of a Liquidator.

The work for placing a company into liquidation is *prescriptive*, that is to say, all the steps are set out in the Companies Act, the Insolvency Act and Insolvency Rules plus related regulations. You will find on the attached Appendix a list of the tasks that DRP have to carry out and the documents that they have to prepare in order to place the Company into liquidation and seeking a Decision of the creditors.

The preparation of a Statement of Affairs for the Company includes reviewing the Company's accounting records, liaising with agents where necessary to establish values for any assets owned by the Company and liaising with the Company's accountants, bankers, director(s) and staff as necessary to enable this document to be prepared and verified ahead of the Decision Date. This may include instructing the Company's accountants to assist in this process, in which case, their costs will also be reflected above.

The costs associated with seeking a decision from the Company's creditors on the nomination of a liquidator, include making available information on the financial affairs of the Company in order that creditors can make an informed decision. The decision-making process involved liaising with the director(s) to understand the Company's relevant trading activity and financial history in the period leading up to liquidation and reviewing and extracting company/accounting information in order to prepare the necessary paperwork and circulating creditors with the decision-related documentation on behalf of the director(s).

I consider that the set fee agreed with the director(s) and proposed for approval by creditors as an expense of the liquidation represents a fair and reasonable value of the overall work DRP have to carry out to assist the director(s) to place the Company into liquidation.

Creditors with a small debt

Any creditor whose debt is treated as a small debt (less than £1,000 inclusive of VAT) must still deliver a proof of debt in respect of their claim with their proxy form if they wish to vote on the Proposed Decisions at the meeting.

Request for a physical meeting

Insolvency legislation also provides that creditors who meet certain thresholds, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may require a physical meeting to be held to consider the Proposed Decisions. Such a request must be made in writing to the Convener by the meeting on the Decision Date. To enable the Convener to determine whether a threshold has been met, please also provide a proof with any request at the latest by Noon on 13 February 2020.

Contact details

Documents required to be delivered to (**the Convener**) pursuant to this notice can be sent by post to David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE. Regrettably, our current IT infrastructure is not geared to dealing with communication of this nature by email. Any person who requires further information may contact by telephone on 020 7400 7900.

Dated: 29 January 2020

Signed: ……..

BENJAMIN DIVES - CONVENER

DRAGON PAYMENTS LTD

APPENDIX

DETAIL OF TASKS THAT ARE CARRIED OUT AND DOCUMENTS TO BE PREPARED WHEN SEEKING A CREDITORS' DECISION FOR THE APPOINTMENT OF THE LIQUIDATOR

1. Engaging with accountants: re Company information and financial information for preparation of Statement of Affairs and Directors' SIP 6 Report.
2. DRP Project Management Meetings
3. Collating information, creating case file and preparing database on DRP Insolvency Suite ("IPS), viz.
   - i. Statutory information: Co. Number, Directors etc
   - ii. HMRC & Cred. References, etc.
   - iii. List of Assets
   - iv. List of Creditors with addresses and amount owed
4. Meeting and discussion with Directors and arranging for signing of statutory documents
5. Creating Case file on Web Portal
6. Accessing Companies House Website: downloads of documents, verifying Statutory information as provided by the Company
7. Entering Set Up details onto IPS: Company Information; Directors Information, Creditors information; Assets and Liabilities
8. Carrying Out Conflict Reviews
9. Completing Bribery Act Reviews
10. Preparing and carrying out Anti-Money Laundering Regulations enquiries
11. Preparing Letter of Engagement
12. Preparing IP's Consent to Act Letter.
13. Preparing Draft Minutes of Board Meetings
14. **Preparing Liquidation Documents**:
    - i. Preparation of Notices to convene a General Meeting of the Members, or the alternative, preparing Written Resolutions to the Members.
    - ii. Preparation of Notice of Decision Procedure of Creditors including the extensive information stipulated in the Rules,
    - iii. Providing an estimate of the Proposed Liquidator's remuneration for the purpose of fixing the basis of the Liquidator's remuneration.
    - iv. Preparing Director's Report in respect of financial information to be provided to creditors (SIP 6)
    - v. Preparation of Directors' Statement of Affairs including lists of Members, Creditors, Employees and Consumer Creditors.
    - vi. Preparation of Directors' Statement of Truth
    - vii. Reviewing Gazette Adverts and monitoring copies received from the agents, Courts Advertising
    - viii. Draft Minutes of General Meeting / Notes of Control of Written Resolutions
    - ix. Draft Report to Creditors of result of Decision Procedures
    - x. Draft Certificate of Liquidator's Appointment by Company
    - xi. Draft Special Resolutions for filing at Companies House
    - xii. Draft Special Resolutions and Resolution/Decision of Liquidator's appointment for placing in the London Gazette
    - xiii. Creditors' Forms for request of a physical creditors' Meeting
    - xiv. Proof of Debts Forms
    - xv. Creditors' Proxy Form
15. Verifying all documents properly signed by Director and Shareholders and collating
    - i. Statement of Truth
    - ii. Statement of Affairs
    - iii. List of Creditors – categorised by class.

Iv List of Shareholders – categorised by class

16 Letter to creditors enclosing all relevant documents to convene a Virtual Meeting of Creditors:

17. Monitoring receipt of Proof of Debt and Proxies

18. Assisting the Convener to host the Creditors' Virtual Meeting.

The above list is not exhaustive as invariably where there are employees, DRP will deal with enquiries from those employees and assist them on how to lodge claims with the Redundancy Payment office. In addition, where there are assets, professional valuers will be instructed and DRP will liaise with the valuers in order to obtain the realisable values of the assets of the Company to insert in the Statement of Affairs. Further discussions will also take place in respect of the sale of these assets.

DOCUMENT 41 OF 45

(1).pdf

Date: 29 January 2020

Pages: 8

SUMMARY

Document dated 29 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

Our Ref: PC/DE/KC/D1026/CVL1-L1/Stg1

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900
Facsimile: 020 7242 3233
E-Mail: [addressee]@drpartners.com
Website: www.drpartners.com

Benjamin Dives
Dragon Payments Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 January 2020

Dear Mr Dives

DRAGON PAYMENTS LIMITED ("THE COMPANY")

We refer to our recent meeting at which we discussed the financial position of the Company, and the subsequent meeting of the Board of Directors of the Company. The Board has concluded that the Company is insolvent and that it wishes to engage David Rubin & Partners ("DRP") to assist the Directors to place the Company into Creditors' Voluntary Liquidation.

1. Purpose of this letter

We thank the Board for this instruction and confirm our willingness to assist the Directors with this process. The purpose of this letter is to record that DRP has been engaged by the Company to provide the services (the **Services**) and to set out below the terms of our engagement together with a brief explanation of our respective responsibilities.

2. Scope of Services

We will provide the following services:

- Advise the Directors in the financial control and supervision of the business between the date of this meeting and the date of the passing of a resolution for winding-up;

- Assist the Directors in the preparation of the Statement of Affairs pursuant to the provisions of section 99 of the Insolvency Act 1986, and other information required to be provided to Creditors ahead of the Decision Procedure for their nomination of the Liquidator. The Statement of Affairs must be verified by a Statement of Truth by a Director and **delivered** to Creditors at least 1 day prior to the day of the Decision Procedure. We should therefore be grateful if you would make yourself available at the appropriate time (unless alternative arrangements have been made) for you to examine and approve the Statement of Affairs prior to making the statement.

It should be clearly understood that these services are requested and given for the benefit of the creditors of the Company. Our role is not to advise the directors personally or any parties connected with any eventual purchaser of the Company's assets (where relevant) and with this in mind, the directors should take their own independent advice on their position as necessary.

Cont'd .../2

We will be acting in an advisory capacity only to the Company. Management of the Company remains solely the responsibility of the Directors until any Liquidator is appointed;

We are authorised by the Directors to discuss and disclose any information relevant to the Company's affairs with management and its advisors, whether or not that information is included in the scope of the engagement.

3. Directors' Responsibilities

The Directors' responsibilities are as follows:

- In the period up to the passing of the Resolution to wind up the Company by the members and the decisions of creditors you remain responsible for the conduct of the affairs of the Company and you are under a duty to act so as to preserve the Company's assets and minimise its liabilities in the interest of creditors and members generally.

- You must ensure that any action that you take will not result in any creditor or member, or group of creditors or members, being preferred or given an advantage over the remainder. In particular, you should ensure that any secured creditor having a fixed and floating charge over the Company's assets is not put in a better position as a result of trading, sales of assets on credit etc.

- No payments should be made or authorised to existing creditors of the Company, nor should you obtain any goods or services on credit.

- No delivery of goods already ordered should be accepted with the exception of goods and services required for the realisation of the assets, which should be paid for by cash out of money specifically allocated.

- No assets should be disposed of, except to the extent necessary to meet essential costs and expenses, and you should take care not to allow any of the Company's creditors to obtain possession of the Company's assets pending investigation of any entitlements by a subsequently appointed Liquidator. Creditors seeking to recover goods supplied pursuant to reservation of title clauses (ROT) embodied in their conditions of sale should not be allowed to remove any items from the Company's premises and any such claims should be referred to us.

- You should not supply any goods or services on credit to existing or potential creditors.

- Cash or cheques received by the Company should be handed over to us for payment into our client's account. We shall use these funds to meet the costs and expenses of calling and holding the meetings. The remaining balance will be paid over to the duly appointed Liquidator.

- No goods or other assets should be deposited with, supplied or returned to any supplier, customer or any other person, the value of which could be used as a set off against an existing debt.

- Any Company's overdrawn bank account(s) must not be used. All standing orders, direct debits etc. should be cancelled.

- You are required to bring up to date the Company's books and records and to make both manual and electronic records available to the Liquidator on his appointment

- Adequate insurance cover in respect of the Company's business and assets must be maintained, and all assets, accounting records and statutory books are physically secured. Please advise us immediately if insurance cover expires before the date of the meetings.

- You should be aware that if a Company proposes to make 20 or more employees redundant at one establishment within a 90-day period, there is a responsibility on the employer to provide advance notification to the Secretary of State of the proposed redundancies (using Form HR1), as required by section 193 of the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA). Under section 194, failure to notify the Secretary of State is a criminal offence, and from 12 March 2015 the potential fine is unlimited in value. The Directors should bear these obligations in mind prior to liquidation and if applicable to act on them. If you require assistance on this matter, you may wish to discuss this further with us.

- Finally, we expect you to co-operate with us as we carry out our role. In particular, we need you to be available to provide information as required, and we expect you not to act improperly, mislead us or withhold information.

4. The Position of the Directors

The Directors' and officers' powers cease automatically upon liquidation. Consequently there is no requirement to file a formal notice of resignation with the Registrar of Companies. There is however a continuing responsibility to assist the Liquidator and failure to do so is an offence under the Insolvency Act 1986 and may lead to disqualification proceedings being taken by the Department for Business, Energy & Industrial Strategy (BEIS).

It is the duty of the Liquidator to complete a report on the conduct of the Company's officers in pursuance of the Company Directors Disqualification Act 1986. Any adverse report may result in any, all, or a number of the Company's officers being disqualified from acting as a Director of a company for a period of two to fifteen years, depending on the severity of the unfit conduct. A breach of a disqualification order can result in criminal proceedings, leading to a fine or imprisonment (or both).

Liquidation may result in the crystallisation of any personal guarantees or surety that has been provided. If requested, we will discuss with you any potential personal liability, however, it must be stressed that we are instructed to act in relation to the Company and in order to avoid any potential conflict of interest we may recommend that you seek separate independent professional advice as to your personal position.

Liquidation brings only one automatic restriction on the officers of the Company. Under Section 216 of the Insolvency Act 1986, the officers are barred from acting as a director or in the formation, promotion or management of another business with a name or trading style so similar to that of the Company as to imply association. The purpose of the provision is to ensure that directors do not open consecutive businesses and benefit from ongoing goodwill at the expense of creditors. It also seeks to ensure creditors are not duped into providing credit facilities to a new business, in the belief it is an established company.

There are provisions in the Insolvency (England and Wales) Rules 2016 (Rule 22.1 to Rule 22.7) which allow exemption from the effects of Section 216 in circumstances where there are genuine reasons and perhaps benefits for a new company/business to utilise such a name.

Should you require, we may assist you in respect of the provisions of the Act and provide copies of the appropriate Statute. We strongly recommend that you seek independent legal advice if you feel the provisions of Section 216 are likely to apply to you.

5. Information Required of the Directors

As discussed with you, the preparation of the Statement of Affairs to be verified and sent to all creditors ahead of their decision on the nomination of a liquidator is key to the liquidation process, as is the gathering of information to prepare the report for creditors required by Statement of Insolvency Practice No 6 (SIP6).

Before we can issue notices to creditors to facilitate this decision, we need to be in a position where the preparation of the above documentation is underway, if not already finalised and ready to be sent out to creditors. Insolvency legislation requires that these documents must be provided to creditors before the liquidation occurs.

Therefore, we require that you provide us with a comprehensive list of the Company's financial documents by return. In order to assist you, we attach herewith a list of information (CVL1-F4) that you should provide us. Please note that Creditors consist of liabilities owed of any nature whatsoever including debts to Crown departments, trade and expense creditors, bank liabilities and financing such as hire purchase, leasing and any contract hire arrangement and may include any contingent creditors such as unexpired leases and disputed claims or any matter which either now or in the future could give rise to a claim against the Company.

The Statement of Affairs must schedule any debts due to employees/former employees, or consumer creditors who have paid for goods or services in advance, separately. To assist with this requirement, I would be grateful if you would identify such claims on separate schedules.

Whilst we will be assisting you with the preparation of the draft Statement of Affairs, the directors should note that it is an offence punishable by imprisonment and/or a fine, if any officer of the Company makes any material omission in any statement relating to the Company's affairs, therefore it is important that you make a full disclosure of the assets and liabilities of the Company.

Finally, I would advise you that any material transaction involving company assets after the Statement of Affairs has been verified by the directors (but before the nomination of a liquidator is decided by creditors), will trigger the requirement under insolvency legislation for a material transaction report to be made to creditors. This may have the effect of delaying the proposed decision on the nomination of a liquidator.

Should any material transactions occur during the above timeframe which are not disclosed, a liquidator once appointed, would be required to investigate these as antecedent transactions and report the findings to creditors.

Please note that the Directors remain responsible for the Company's affairs until the Liquidator is appointed. In this respect, please ensure that all the Company's books are written up-to-date. Wages records should be written up, but only in respect of monies actually paid to employees. All outstanding VAT and PAYE returns should be completed. Where forms P45 are issued to employees, Part 1 of the form should be handed to us.

6. Agents and Asset Valuation

It may be necessary to instruct agents to value and thereafter dispose of the Company's assets. It will greatly assist the agents if copies of any finance agreements, together with the lease (if appropriate) of the premises are made available as soon as possible.

In order that we may arrange for the valuation of any goodwill or intellectual property we will require full and comprehensive details of any patent applications, designs, copyrights, customer/product details and any other agreements or documentation that could prove to have a realisable value.

7. Privacy and Data Protection

As part of our role, we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data, in relation to insolvency appointments, can be found in the attached Privacy Notice.

We would also ask that you provide details about the extent of personal data held by the Company, for example, employee records, and inform us of any current or recent historical breaches under data protection legislation, you are aware of, that have been reported to the Information Commissioners' Office against the Company.

8. DRP's Team

Paul Cooper, and his partner Paul Appleton, will lead our team and be responsible for the preparation of the Statement of Affairs and supporting documentation and they will be assisted by Darren Ellis.

9. Fees

Our fees are normally calculated on the basis of time spent at hourly rates as set out below, dependent on the level of experience of the individual, in respect of the services to be rendered by us in connection with the preparation of the Statement of Affairs, and in seeking a decision of the Company's creditors over the nomination of a liquidator, which will include assistance with the preparation of the report to creditors on the Company's financial position.

However, in this instance we have agreed a fixed fee of £6,000 plus VAT and disbursements, and we require funds to be deposited with us for the specific purpose of defraying these costs. We confirm that any funds deposited with us will be banked in a client account, but as agreed, we will be at liberty to draw the agreed fee and disbursements, as permitted by Rule 6.7 of the Insolvency (England and Wales) Rules 2016, either before or immediately after the passing of the Members' Special Resolution placing the Company into liquidation. Interest earned on these funds will be for our benefit. In the event that we consider the fixed fee to be insufficient owing to unexpected circumstances requiring additional work to be performed, we reserve the rights to seek creditors' approval for additional payments.

If Paul Cooper and Paul Appleton are appointed as Joint Liquidators, they will seek creditors' approval for the basis upon which the Joint Liquidators' fees are to be calculated, which is likely to be on the basis of time spent at hourly rates relative to the level of experience of the individual. Our current rates exclusive of VAT, which are charged in units of 6 minutes, are shown below:-

	£
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Support Staff	120 – 150

The proper charges and disbursements in connection with the services will be paid out of the assets of the Company.

In addition, disbursements will be recharged which typically comprise: travel, internal and external printing, advertising, room hire and postage.

10. Conflicts of Interest

The rules governing our profession restrict the extent to which we can deal with insolvent companies if they, or any of their directors or shadow directors, have been a client previously. There are also restrictions if there is any other relationship, which could prejudice our objectivity or could be seen to do so.

Our internal enquiries do not indicate that the Company or any of its directors or shadow directors has been a client previously. A shadow director is defined as a person in accordance with whose directions or instructions the directors are accustomed to act. We have not identified any other relationship which could impair our objectivity.

The endorsement at the bottom of this letter is confirmation that as far as you are aware and in your opinion, no conflict of interest exists which would prevent the acceptance of appointment as Liquidator.

If an actual or potential conflict comes to our attention after the commencement of our engagement, we will discuss this with you and determine an appropriate course of action. However, you agree that, as a result of duties imposed by law or the rules or regulations of any regulatory authority or of duties of confidentiality owed to other persons, DRP may be prohibited from disclosing, or it may be inappropriate for DRP to disclose, information to you, including details of the conflict situation.

If a conflict situation arises and we cannot continue our engagement with you, you agree to pay our fees for providing the Services up to the termination date, together with any expenses incurred by us in connection with the provision of the Services. You also agree that we shall not have any liability to you arising out of or in connection with the conflict situation.

11. Clients' Money Regulations

We may, from time to time, hold money on your behalf. Such funds will be held in trust in a client bank account, which is segregated from DRP's funds. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of the Institute of Chartered Accountants in England and Wales.

In order to avoid an excessive amount of administration, interest will only be paid to you where the amount earned on the balances held on your behalf in any calendar year exceeds £200. If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, then we will put the money in a separate designated interest bearing client bank account and pay the interest to you which, subject to any tax legislation, will be paid gross.

We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds.

12. The Provision of Services Regulations 2009

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our Professional Indemnity insurer is Royal & Sun Assurance Plc. The territorial coverage is worldwide, including business conducted in the United States of America or Canada provided that the Insurer shall not be liable for punitive and exemplary damages.

13. Proceeds of Crime Act 2002 (PoCA) and Money Laundering Regulations

In order to comply with legal requirements relating to money laundering, we are required to go through formal procedures with each client before we can act for that client to establish, amongst other things, the identity of the client and maintain records of identification as evidence.

Although we may have acted for you in the past, as this is a new assignment, we are required to renew our identification procedure. In this connection, when returning an endorsed copy of this Letter of Engagement, would you please also enclose a certified copy of the photo page of the passports of two of the Directors of the Company, and at least one of the following:-

- bank statement/utility bill; or
- register of electors print; or
- driving licence.

If you cannot get the passport copies certified by a Solicitor or a qualified accountant, please bring the passports with you to our office so that we may compare each copy with its original.

We would confirm that the proposed Office Holder(s) is a Data Controller within the meaning of data protection legislation and any data received from you in this regard, will be processed only for the purpose of preventing money laundering or terrorist financing, or as permitted under Regulation 41(3) of the 2017 Regulations (Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017).

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14. Quality of Service

If at any time you are dissatisfied with the services you are receiving, please contact the Engagement Partner disclosed in this Letter of Engagement. If you would prefer to deal with someone else, please contact our Compliance Partner, Henry Lan. We will carefully consider any complaint we receive and, if we believe that we have given a less than satisfactory service, we will take all reasonable steps to put it right.

Whilst we undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you, if you remain unsatisfied, you have the right to refer the matter to the Insolvency Complaints Gateway which is operated by the Insolvency Service, an Executive Agency of the Department for Business, Energy & Industrial Strategy (**BEIS**).

Complaints can be made by email, telephone or letter to staff in the Complaints Gateway as follows:

- Calling the Insolvency Service Enquiry Line on 0300 678 0015 (week days 9am to 5pm);
- By completing an online complaints form at www.gov.uk/complain-about-insolvency-practitioner (Guidance for those who wish to complain can also be found on this site;
- Alternatively, by sending the completed complaints form to: IP Complaints, Insolvency Service, 3rd Floor, 1 City Walk, Leeds, LS11 9DA.

15. Governing Law and Jurisdiction

The Contract shall be governed by and interpreted in accordance with the laws of England and Wales. The Courts of England and Wales shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Contract and any matter arising from it.

16. Agreement of Terms

Please read this letter carefully, and if you are in agreement with the terms set out therein, kindly sign and date the enclosed copy and return it to us immediately.

Finally, should you have any questions regarding the content of this letter, please do not hesitate to contact Darren Ellis at this office.

Yours sincerely

David Rubin & Partners

DAVID RUBIN & PARTNERS

Confirmation of Terms of Engagement

We confirm that the above properly sets out the arrangements agreed for this assignment, and we agree to its terms. We also confirm that DRP will have unrestricted access to the Company's books and records and the full cooperation of its Directors and senior management who will keep you informed of any matters arising which they consider are relevant to your work. In addition, we confirm that you may liaise fully with the Company's bankers, factors, invoice discounters, solicitors and other relevant professional advisors on any matters concerning the Company's financial affairs.

We also confirm that neither the Company nor any of its directors or shadow directors are aware, of any relationship which could prejudice David Rubin & Partners' objectivity or be seen to do so in respect of this assignment.

Signed: ..... Date: 29.1.2020

BENJAMIN DIVES
ON BEHALF OF DRAGON PAYMENTS LTD

Bankruptcy Proceedings-6.pdf

Date: 30 January 2020

Pages: 2

SUMMARY

Document dated 30 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

N244

Application notice

For help in completing this form please read the notes for guidance form N244Notes.

Find out how HM Courts and Tribunals Service uses personal information you give them when you fill in a form: https://www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/personal-information-charter

Name of court
High Court of Justice

Fee account no
(if applicable)

Warrant no.
(if applicable)

Claimant's name
Squire Patton Boggs LLP

Defendant's name
London Block Exchange Ltd

Date

HIGH COURT OF JUSTICE
THE BUSINESS & PROPERTY COURTS OF ENGLAND & WALES
23 Jan 2020

CR-2019-001356

Hearing Date: 31 Jan 2020 14:00 to be considered at the existing hearing

1. What is your name or, if you are a legal representative, the name of your

Dragon Payments Ltd (formally London Block Exchange Ltd)

2. Are you a ☐ Claimant ☑ Defendant

☐ Other *(please specify)*

If you are a legal representative whom do you represent?

3. What order are you asking the court to make and why?

An Order adjourning the final Winding Up hearing of 31st January
Courts Costs Office has concluded. The Company asks for 28 days.
parallel proceedings at the High Court in assessing a similar case of the solicitor's costs.

4. Have you attached a draft of the order you are applying for? ☑ Yes ☐ No

5. How do you want to have this application dealt with? ☐ at a hearing ☑ without a hearing ☐ at a telephone hearing

6. How long do you think the hearing will last? Hours 15 Minutes

Is this time estimate agreed by all parties? ☐ Yes ☑ No

7. Give details of any fixed trial date or period: Final Hearing listed on 31st Jan at 2pm

8. What level of Judge does your hearing need? Registrar

9. Who should be served with this application? Petitioneir

9a. Please give the service address, (other than details of the claimant or defendant) of any party named in question 9.

10. What information will you be relying on, in support of your application?

- [x] the attached witness statement
- [ ] the statement of case
- [ ] the evidence set out in the box below

If necessary, please continue on a separate sheet.

On 22nd January 2020, the Petitioner informed the Company that the final hearing would be listed on Friday 31st January at 2pm. Today, the Petitioner forwarded the Company a Notice of Listing dated today and listing the matter on that date. The Company sought consent to the adjournment but the Petitioner has not agreed and the Company has no choice but to make this application. The Order of 2nd August 2019 of Deputy ICC Judge Schaffer lists the matter with a time estimate of 2 hours and 1 hour of Judicial reading but the current listing is for 2pm on a Friday so there is s risk that the matter may not conclude.

On 6th September 2019, Master Rowley made an Order in the proceedings, at the Senior Courts Costs Office ("SCCO"). These proceedings will soon conclude with an Order. The Petitioner is a firm fo solicitors that has brought the Petition on the issue of solicitor's fees. The Company has applied to the Master at SCCO for adjudication. The Company believes that the Order from Master Rowley will greatly assist the Court and resolve the position between the Petitioner and the Company in respect of the Petitioner's solicitor's fees.
The Company has no objection to the matter being discussed directly between the two respective Courts within the High Court i.e. the SCCO and the Companies Court (Chd), the Insolvency and Companies List Office.

Statement of Truth

~~XXXXX~~ (I believe) (The applicant believes) that the facts stated in this section (~~and any continuation sheets~~) are true.

Signed Dated 23rd January 2020

Applicant('s legal representative)('s litigation friend) ~~XXXXXXXXXXXXX XXXXXXXXXX~~

Full name Benjamin Dives

Name of applicant's legal representative's firm

Position or office held Director

(if signing on behalf of firm or company)

11. Signature and address details

Signed Dated 23rd January 2020

Applicant('s legal representative's)('s litigation friend) ~~XXXXXXXXXXXXX XXXXXXXXXX~~

Position or office held Director

(if signing on behalf of firm or company)

Applicant's address to which documents about this application should be sent

Kemp House
160 City Road
London

Postcode E C 1 V 2 N X

If applicable	
Phone no.	
Fax no.	
DX no.	
Ref no.	

E-mail address	

PC signed WS 30 Jan 2020 (1) (1).pdf

Date: 30 January 2020

Pages: 4

SUMMARY

Document dated 30 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

P Cooper
First
PC1
30.01.20

IN THE HIGH COURT OF JUSTICE Case No: CR-2019-001356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COMPANIES COURT (ChD)

IN THE MATTER OF DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LTD)

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

- and -

DRAGON PAYMENTS LTD

Respondent

WITNESS STATEMENT OF PAUL COOPER

I, **Paul Cooper,** Partner at David Rubin & Partners of 26-28 Bedford Row, London WC1R 4HE, WILL SAY:

1. I am a Chartered Accountant and Licensed Insolvency Practitioner regulated by the Institute of Chartered Accountants in England and Wales.

2. All facts and matters contained in this witness statement are true to the best of my knowledge. Unless otherwise stated, the contents of this statement are based on my own knowledge. Where I refer to facts of which I do not have first hand knowledge, I explain the source of my knowledge, and those facts are true to the best my knowledge, understanding and belief.

3. Attached to this witness statement is a paginated file of documents marked **Exhibit PC1**, to which I will refer by page number in this witness statement.

4. I am aware that on 31 January 2020 at 2pm the Court is to consider whether a winding up order should be made in respect of the company Dragon Payments Limited ("the Company"). I understand that the Petitioner will seek to argue that the Court should make an order for the compulsory liquidation of the Company. I also understand that the petition is founded on a bill from a solicitor which is yet to be assessed by the Senior Courts Costs Office.

5. The Director of the Company has consulted me, and has now instructed me formally to advise the Company having paid to my firm David Rubin and Partners the sum of £6,000 plus VAT from third-party funds.

6. Having considered the Company's position, I have advised the Director of the Company to undertake a creditors voluntary liquidation ("CVL"), notwithstanding that the original debt relied on by the Petitioner is not liquidated. The Director has accepted that advice.

7. Notices of the proposed CVL were sent to the Company's shareholders and creditors on 29 January 2020. Those notices convene shareholder and creditor meetings for 10am and 10:15am respectively on 14 February 2020.

8. Letters to Shareholders were sent to Mr Benjamin Dives and Mr Jonathan Sandelson, and copies of those letters appear at **pages 1 to 6 of PC1.**

9. A copy of the Letter to Creditors appears at **pages 7 to 22 of PC1.** That letter was sent to 23 known external creditors of the Company, as well as to 12 employees. These recipients are not named in this witness statement for reasons of data security, but their names can be made available to the Court and to the Petitioner as required.

10. I note from paragraph 19 of the fourth witness statement of Russell Hill dated 27th January 2020 that the Petitioner alleges that ten supporting creditors with purported debts owed by the Company of a combined sum of £986,091.88 have made themselves known to the Petitioner. I am informed by the Company's director that the identities of the additional supporting creditors have not been made known to the Company and no proofs of debt have been received.

11. Of course, upon the Company being informed of the identities of any supporting creditors who have not already received it, those parties will also be sent the Letter to Creditors referred to above.

12. In summary, it is my professional opinion that a CVL is preferable than a compulsory liquidation ("WUC") for the following reasons.

    a) Costs are lower in a CVL than a WUC. Third-party funds have been utilised to pay for the CVL, whereas costs for the WUC would come out of potential asset realisations, lowering the potential distribution to creditors.

    b) I am aware that the Company has been in dialogue with two potential counterparties with regard to a sale of its assets:

        i. The first potential buyer is based in Poland. Discussions with that prospective buyer commenced in October 2019 and are very progressed. I have had sight of a deal memorandum which is the precursor to Heads of Terms for the sale.

        ii. The other potential buyer is a UK-based company, and discussions have been in progress for over 2 months. I have taken steps to verify the veracity of this company from searches at Companies House.

    c) In my opinion a positive asset sale has a better chance of being finalised in a CVL than in a WUC. This will maximise potential realisations for the general body of creditors. The stigma associated with a WUC and the subsequent involvement of the Official Receiver can cause buyers to be wary and is usually detrimental to the sales process in my experience.

    d) The Company is insolvent pursuant to section 123 of the Insolvency Act 1986, and the director has a fiduciary duty to ensure it is placed into Liquidation. By undertaking a CVL the director is carrying out his fiduciary duty.

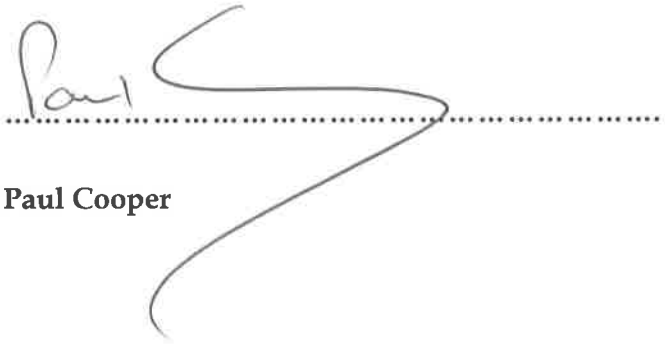
    e) A CVL is a more rapid process than WUC, especially given the need for an Office Holder to deal with the potential sale of the assets.

13. For all of these reasons, I therefore respectfully suggest to the Court that the most appropriate course of action in the interests of the Company's creditors is that the Company be permitted to enter into a CVL following the meetings on 14th February 2020.

Statement of Truth

I believe that the facts stated in this witness statement are true

Dated: 30th January 2020



Paul Cooper

Application Notice 31.1.2020 (1).pdf

Date: 31 January 2020

Pages: 3

SUMMARY

Document dated 31 January 2020.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

Form IAA
Rule 1.35

Insolvency Act Application Notice

See Form IAA-N for guidance notes on how to complete this Form IAA

Insert case number if the court has assigned one

Case No: CR-2019-001356

Delete/ complete as necessary:
(a) High Court, London
(b) High Court B&PCs DR
(c) Non-B&PCs DR
(d) County Ct

[a] **IN THE HIGH COURT OF JUSTICE**
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
[b] **INSOLVENCY AND COMPANIES LIST (ChD)**
[c]
[d]

Insert name of Debtor/bankrupt or company

IN THE MATTER OF DRAGON PAYMENTS LIMITED (FORMERLY KNOWN AS LONDON BLOCK EXCHANGE LIMITED)
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN

Insert name(s) of applicant(s)

DRAGON PAYMENTS LTD — **APPLICANT(S)**

AND

Insert name(s) of respondent(s)

SQUIRE PATTON BOGGS (UK) LLP — **RESPONDENT(S)**

Delete/complete as applicable

This application is made under section 125 of the Insolvency Act 1986 AND under rule 7.19 of the Insolvency (England and Wales) Rules 2016.

Insert required details (name,

The Applicant is Dragon Payments Ltd of Kemp House, 160 City Road,

address, etc) of applicant(s)

London EC1V 2NX

Insert required details (name, address, etc) of respondent(s)

The Respondent is Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London EC1V 2NX

Insert required details of the debtor or company that is the subject of the proceedings

The application concerns Dragon Payments Ltd of Kemp House, 160 City Road, London EC1V 2NX

Identify level of judge and court or hearing centre (as per heading)

This application is made to the ICC Judge in the High Court of Justice, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

Delete as applicable and if YES, insert the number assigned by the court

Is this application within existing insolvency proceedings? **YES**

The court reference number for the proceedings to which this application relates is: CR-2019-001356

The Applicant(s) seek(s) the following directions:

(a) The hearing of the petition on 31st January 2020 be adjourned to the general winding up list to be heard on 29th April 2020.

Provide details of basis for application or identify the witness statement made in support

The matters on which the Applicant relies are set out primarily in the witness statement of Paul Cooper dated 30th January 2020. Briefly, the Applicant has begun the process of entering Creditors' Voluntary Liquidation.

Insert names, addresses of those on whom the application is to be served (if any)

The names and addresses of the persons on whom it is intended to serve this application are:

Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London EC1V 2NX

Insert names, addresses of those to whom notice of the application is to be given (if any)

It is not intended to serve any person with this application.

This is the address that the court will use for all communications to the Applicant until notified

The address for service for the Applicant(s) is:

Kemp House, 160 City Road, London EC1V 2NX

Tel. [...] email benjamin@lbx.com

otherwise in writing

If the Application is authenticated by the sole member of a body, this fact and the body in question must be identified

Dated 30th January 2020

Signed ..... The Applicant(s)

Name Benjamin Dives Position Held: Director

For court use

(Where the Application is issued by e-filing, the endorsement will normally be on the front of the Application, beneath the seal)

Endorsement by the Court

This application will be heard:

Date .....

Time .....

Place .....

Insert address of court in which Application is to be issued

This application was issued at the Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

DOCUMENT 45 OF 45

29.06.17 WS Paul White with Exhibits.pdf

Date: 17 June 2029

Pages: 48

SUMMARY

Document dated 17 June 2029.

MEANING & SIGNIFICANCE

This document is part of the legal proceedings between Squire Patton Boggs (UK) LLP and London Block Exchange Ltd (Dragon Payments Ltd).

Respondent Company
P.White
Second
Exhibits PW/1
17.06.2019

Case no: CR2019-001-356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

FIRST WITNESS STATEMENT OF PAUL WHITE

---

1. I am a Costs Lawyer and Costs Draftsman. I have approximately 40 years of experience in dealings with solicitors' costs and entitlement thereto. It is fair and accurate to state that I am a very experienced costs lawyer. I am instructed and authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. I am making this Witness Statement in support of the Company's application to list the Winding Up hearing after the conclusion of the very similar proceedings that are currently live at the High Court of Justice Senior Court's Costs Office ("**SCCO**"). In these

proceedings the Company made a claim for a Costs Judge to assess the Petitioner's entitlement to any solicitors' costs and determine whether there has ever been a solicitors' retainer between the Petitioner and the Company. The Petitioner has applied to Wind Up the Company on the basis of 2 invoices that the Company disputes. The invoices are not sufficiently particularised, do not constitute a proper Solicitors' Bill of Costs and I am unable to advice the Company on their content due to the manner they have been issued. I do not believe that any other costs lawyer may advice the Company on the contents of these invoices for same reasons.

3. A relationship between a solicitor and a client is governed by the 1974 Solicitor's Act ("**the Act**") and this includes strict and specific rules for solicitors billing their clients. Solicitors' clients are treated differently than ordinary consumers of services and there are specific rules on what constitutes a solicitor's interim request for payment and a Final Bill of Solicitors' Costs under the Act. A client of a solicitor is entitled to a detailed and itemised Bill free of charge.

4. The Company challenges the Petitioner's entitlement to any costs and considers it improper for the Petitioner to have issued a Winding Up Petition on the basis of its 2 interim requests for payment that do not, on the Company's case, constitute a proper Bill of Solicitors costs that the Company is entitled to. Despite request, to date, the Petitioner has still not issued its Final Bill under the Act.

5. On 4th April 2019 the Respondent issued a Claim at the SCCO under the 1974 Solicitors Act against the Petitioner and challenged: the Petitioner's entitlement to claiming any solicitors' fees whatsoever, their unparticularised quantum and the existence of any Retainer between the parties. The Company has never signed the Petitioner's Letter of Engagement and disputes that the Petitioner has ever been its solicitor.

6. There has been a series of hearings in the SCCO heard by Master/Costs Judge Rowley, where I represent for the Company. Master Rowley made it clear at the hearings and particularly on 30th April 2019 that the SCCO is best equipped to adjudicate upon the issues between the Petitioner and the Company and deals with such disputes as a matter of daily lists.

7. Because of these comments, the Company's claim having been issued as valid, a timetable in place, I believe that the SCCO will have by mid September 2019 resolved the position of the two invoices and thereby save the Court's time in the Winding Up proceedings.

8. Although the Petitioner continues to proceed with the Petition, since 20th March 2019, the Petitioner has held £13,000 that was paid to it by the Company's investor in relation to the disputed £9,900 required in order to close the matter but the Petitioner still proceeded on 10th April 2019.

9. The SCCO matter proceeded because the Petitioner not only failed to agree the standard directions as suggested by Master Rowley on 9th April 2109 but did not respond for 2 weeks and responded on a Friday before the Monday 30th April hearing not agreeing them. There is now a timetable for the SCCO matter that occurred with a delay as a result of Petitioner's actions. The Company asked for a hearing at the SCCO on 9th April 2019 a day before the Winding Up hearing of 10th April 2019, in order to affirm the SCCO proceedings. At that hearings Master Rowley suggested agreed Directions that were sent to the Petitioner immediately after the hearing in the afternoon of 9th April but the Petitioner did not respond.

10. The Company proposed that the SCCO matter proceeds before the Petition, so the issue of the disputed retainer and your disputed Final Bill is determined by Costs Master Rowley, but on 1st May 2019 in correspondence, the Petitioner refused to stay the Winding Up Petition in order for the SCCO to resolve the issue in question.

11. Having dealt with disputes of solicitors 's costs for most of my professional life, I agree with Master Rowley that this matter is best resolved by the SCCO before the Winding Up proceedings.

STATEMENT OF TRUTH

.....

I believe that facts stated in this Witness Statement are true.

Paul White

17th June 2019

ORDER

In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties	London Block Exchange Limited	Claimant
	-and-	
	Squire Paton Boggs UK LLP	Defendant

On 30 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

(1) There is to be a preliminary issues hearing at 10.30am on Friday, 6 September 2019 before Master Rowley sitting in Court 100, Thomas More Building, Royal Courts of Justice, Strand London WC2A 2LL (half a day allowed).

(2) The preliminary issues are:

(a) Was there a retainer between the Claimant and the Defendant?

(b) Are the invoices numbered 2622803 and 2624225 and dated 29 March 2018 and 25 April 2018 respectively interim statute bills?

(3) The Claimant is to serve upon the Defendant the evidence upon which it intends to rely in respect of the preliminary issues by 4pm on 28 May 2019.

(4) The Defendant is to serve upon the Claimant any evidence in reply by 4pm on 25 June 2019.

(5) The parties are to serve any skeleton arguments by 4pm on Tuesday 3 September 2019.

(6) The Claimant is to file an agreed bundle, including any skeleton arguments, by 4pm on Wednesday 4 September 2019.

(7) Any person providing a witness statement is to be ready to be cross examined upon its contents at the hearing unless the parties have agreed beforehand that such attendance is not required.

(8) The costs of this application are reserved.

The court office at the Senior Courts Costs Office, Thomas More Building, Strand, London WC2A 2LL is open between 10 am and 4.30 pm Monday to Friday. Address all communications to the Court Manager quoting the SCCO reference number

ORDER

In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties	London Block Exchange Limited	Claimant
	-and-	
	Squire Paton Boggs UK LLP	Defendant

On 9 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

(1) The directions hearing is adjourned to 10.30am on 30 April 2019

(2) The costs of this application are reserved

IN THE HIGH COURT OF JUSTICE **CLAIM NO: JR 1902065**

SENIOR COURT COSTS OFFICE

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and –

SQUIRE PATTON BOGGS (UK) LLP

Defendant

UPON THE APPLICATION OF THE CLAIMANT

AND UPON AGREEMENT REACHED BETWEEN THE PARTIES

IT IS ORDERED BY CONSENT THAT

(1) The Defendant must within 28 days deliver to the Claimant, or to his solicitors, a Bill of Costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.

(2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).

(3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.

(4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

DATED the APRIL 2019

Respondent
B.Dives
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE **Case no: CR2019-001-356**

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

STATEMENT OF BENJAMIN DIVES

---

1. I am the Director of the Respondent I am authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. The Respondent is a limited company that is a payments services institution. It holds client money for individuals and business who wish to transact on the Internet. It employs 10 people and I am the only Director of the Respondent. The Respondent Company is registered with the Financial Conduct Authority and has suffered reputational damage as a result of the Applicant's advertisement of the Winding Up in the Gazette. The Respondent's turnover per year is approximately £500,000.

3. In the Petition, the Applicant wishes to wind up the Respondent on the basis of 2 interim request for payments. The Applicant is a Firm of Solicitors and is governed by the rules on solicitors bills as per the 1974 Solicitors' Act. These rules are in place to protect consumers of solicitors' services. It is the Respondent's case that the Applicant has not adhered to those rules and has not issued nor delivered its Final Bill of Costs under Statute.

4. The Applicant has not it issued a money claim but has instead issued the Winding Up proceedings. As a result, the Respondent has exercised its right and issued an Application at the Senior Courts Costs Office for the delivery of the Solicitors Final Bill of Costs and thereafter for the assessment of the solicitors' fees by a Costs Master. That issued Application was served on the Applicant and additionally filed with the High Court in these proceedings on 4th April 2019. Prior to that date, the Respondent requested a Final Bill of Solicitors Costs from the Applicant, but the Applicant has not provided one to date and the Respondent has had no choice but to make its Application to the Senior Courts Costs Office. A copy of the Respondent's Application is enclosed herewith as **Exhibit BD/1** together with the Applicant's advertisement in the Gazette.

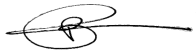
5. The Respondent apologises for the late filing of this Witness Statement but a telephone hearing took place today at 12:30pm, at short notice, and in light of the listing of the Winding Up Petition, at the Senior Courts Costs in front of Master Rowley. As **Exhibit BD/2** I enclose a Draft Order that followed, prepared by my costs lawyer and sent to the Applicant for its agreement. The Respondent has also requested the Senior Courts Costs Office to adjudicate on the issue as to whether there has ever been a Retainer between the Applicant and the Respondent. It is the Respondent's position that no Letter of Engagement has been signed by a Director of the Respondent. It is the Respondent's position that there was no Retainer between the Applicant and the Respondent.

6. The 2-interim request for payment forming the basis of the Applicant's Petition are disputed and are considered to have been incorrectly issued. They do not contain the necessary information that would enable the Respondent to seek professional advice as to whether the charges applied are correct and proportionate. In their current format they do not give raise to solicitors' fees. Nevertheless, the Respondent's investor has placed £13,000 with the Applicant.

7. The Respondent respectfully requests that the Petition be dismissed.

STATEMENT OF TRUTH

I believe that facts stated in this Witness Statement are true.



Benjamin Dives

9th April 2019

Respondent
B.Davies
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE **Case no: CR2019-001-356**

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

EXHIBIT BD/1

TO

WITNESS STATEMENT OF
BENJAMIN DAVIES

SCHEDULE OF COSTS PRECEDENTS
PRECEDENT J

IN THE HIGH COURT OF JUSTICE

Claim No	

SENIOR COURTS COSTS OFFICE

IN THE MATTER OF Squire Patton Boggs UK LLP (Solicitors)

Claimant: LONDON BLOCK EXCHNAGE LTD

Defendant: SQUIRE PATTON BOGGS UK LLP (SOLICITORS)

SEAL

CLAIM FORM (CPR Part 8)

Details of claim (see also overleaf)

The following Orders are applied for:

(1) An Order for a Hearing to be fixed to determine whether any terms of a retainer exist between parties.

(2) An Order in standard form for the delivery of Bill of Costs in all cases and matters, if any such a retainer exists between parties in which the Defendant has acted for the Claimant.

(3) An Order that the Winding up Petition issued and advertised by the Defendant be stayed and or be dismissed pending the outcome of these proceedings.

(4) An order dealing with the costs of this application

Defendant s name and address:

Squire Patton Boggs UK LLP (Solicitors)
Rutland House, 148 Edmund Street
Birmingham B3 2JR

£ 55

Court fee
Solicitor's Cost
Issue date

The court office at the Senior Courts Costs Office is open between 10.00 am and 4.30 pm, Monday to Friday, when corresponding with the court, please address forms or letters to the Court Manager and quote the claim number.

Claim No.	

Details of claim (continued)
The Defendant has issued and rendered 2 invoices in the total sum of if £9,900 as follows:

(1) Invoice number 2622803, Date: 29th March 2018, amount of £2,700 said to be for professional services provided in respect of financial regulation.

(2) Invoice number: 2624225, dated 25th April 2018, amount: £7,700 said to be for professional services provided in respect of a listing fee agreement.

No detail has been provided as to how these invoices have been calculated and they do not comply with section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors' Bill under the 1974 Solicitors Act. A Final Solicitors' Bill under the Act has been requested from the Defendant for all monies, but it has not been issued and the Defendant has not confirmed that it is willing to issue it despite requests. It appears that the Claimant now requests further solicitors' fees.

The Defendant has made an application to wind up the Claimant on the basis of unpaid invoices for its solicitors' fees. The Defendant has advertised the Winding up Petition in the Gazette and the Hearing is listed on 11th April 2019 in the High Court of Justice under case number CR-2019-001356.

There is doubt as to whether there has ever been and continues a proper and complete retainer between parties.

Statement of Truth
*(~~I believe~~) (The Claimant believes) that the facts stated in these particulars of claim are true.
*I am duly authorised by the Claimant to sign this statement.

Full name .....Raf Demczuk, W LEGAL Ltd.....
Name of Claimant s solicitor's firm W LEGAL Ltd

Signed ..... position or office held ...Member, W Legal Ltd.....
*(~~Claimant~~) (~~Litigation friend~~) (Claimant's solicitor) (if signing on behalf of firm or company)
*delete as appropriate

Claimant's or claimant s solicitor s address to which documents should be sent if different from overleaf. If you are prepared to accept service by DX, fax or e-mail, please add details.

Ref. RD
W LEGAL Ltd
47 Red Lion Street
London, WC1R 4PF

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP
DX No 321801 Leeds 18

T +44 113 284 7000
F +44 113 284 7001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 March 2018

DUPLICATE COPY BILL
We hereby certify that this is a true and correct copy of the original

Our Ref:	Matter Number:	Your Ref:	Bill No:
PA2/PA2	LON.333-0001	Marcin Nawrocki	2622803

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Financial Regulation			
To our charges for professional services in the above matter	450.00		2,250.00
Total	450.00		2,250.00

With Our Compliments

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

For Direct GBP Payment please send to:

Bank:	**Lloyds Bank Plc**
Sort Code:	**30-00-05 Account Number: 00200399**
IBAN:	**GB92LOYD30000500200399**
SWIFT:	**LOYDGB21007**

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Add Disbursements	0.00
Add 20% VAT	450.00
Total	2,700.00
Less Receipts	0.00
Amount Due	2,700.00

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

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SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH
DX No 136546 Bishopsgate 2

T +44 (0)20 7655 1000
F +44 (0)20 7655 1001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
With Our Compliments **Total**	1,200.00		6,000.00

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

For Direct GBP Payment please send to:
Bank: Lloyds Bank Plc
Sort Code: 30-00-05
Account Number: 00200399
IBAN: GB92LOYD30000500200399
SWIFT: LOYDGB21007

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Add Disbursements	0.00
Add 20% VAT	1,200.00
Total	7,200.00
Less Receipts	0.00
Amount Due	7,200.00

Squire Patton Boggs (UK) LLP

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

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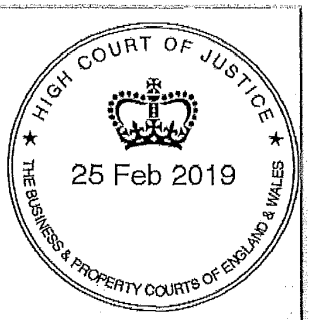

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No: CR-2019-001356
Hearing Date: 10 Apr 2019 10:30 In the Rolls Building

Delete/ complete as necessary:
(a) High Court, London [a]
(b) High Court B&PCs DR [b]
(c) Non-B&PCs DR [c]
(d) County Court [d]

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)
~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**BUSINESS AND PROPERTY COURTS IN [*location*]**~~
~~**INSOLVENCY AND COMPANIES LIST (ChD)]**~~
~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**CHANCERY DIVISION**~~
~~**[*location*] DISTRICT REGISTRY]**~~
~~**[IN THE COUNTY COURT AT [*location*]]**~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

(j) Set out the grounds on which a winding-up order is sought

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed,

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness~~

this must be explained

~~statement of [*name*]~~
~~filed in support hereof.]~~

(m) Delete as applicable

(m) The Company ~~is/~~is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) Delete as applicable

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)

ANNEX A

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 870 458 2943
russell.hill@squirepb.com

14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.

- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

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Please visit squirepattonboggs.com for more information.

Lexcel Legal Practice Quality Mark Law Society Accredited

INVESTORS IN PEOPLE

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

Squire Patton Boggs

Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary:
(a) High Court, London
(b) High Court B&PCs DR
(c) Non-B&PCs DR
(d) County Court

[a] IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

[b] ~~[IN THE HIGH COURT OF JUSTICE~~
~~BUSINESS AND PROPERTY COURTS IN [*location*]~~
~~INSOLVENCY AND COMPANIES LIST (ChD)]~~

[c] ~~[IN THE HIGH COURT OF JUSTICE~~
~~CHANCERY DIVISION~~
~~[*location*] DISTRICT REGISTRY]~~

[d] ~~[IN THE COUNTY COURT AT [*location*]]~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

(j) Set out the grounds on which a winding-up order is sought

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed, this must be explained

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of [*name*] filed in support hereof.]~~

(m) Delete as applicable

(m) The Company is/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

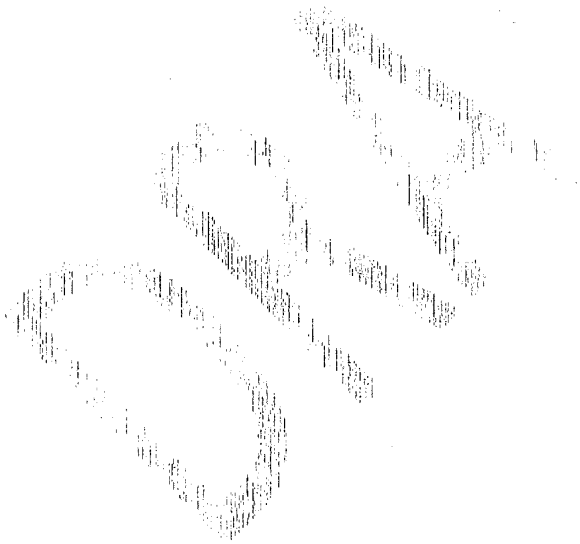
This petition was issued by the court on
and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)



IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

Petitioner
Russell Hill
1
Exhibit(s): RH1
Date: 21/2/ 2019
Court Reference No. of 2019

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP Applicant/Petitioner

and

LONDON BLOCK EXCHANGE LTD Respondent/Company

FIRST WITNESS STATEMENT OF RUSSELL HILL

I, **RUSSELL HILL**, a solicitor of Squire Patton Boggs (UK) LLP, Rutland House, 148 Edmund Street, Birmingham, B3 2JR will say as follows:

1. I am duly authorised by the Petitioner to verify the statements in the petition marked RH1. The statements in the Petition are made from my own knowledge except where otherwise indicated, in which case I have explained the source of my information or belief.

2. I have been concerned in the matters giving rise to the Petition and have the requisite knowledge of the matters referred to in the Petition because I am the Petitioner's solicitor and have been involved in the preparation of the Petition.

3. The statements in the Petition are true to the best of my knowledge, information and belief.

4. The Company is London Block Exchange Ltd (Company number: 10966096) with its registered office at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX.

5. The petition is to be presented in the High Court of Justice, Business and Property Courts.

6. I consider the Company's centre of main interest is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX. Accordingly, the EU Regulation on Insolvency Proceedings will apply and these proceedings will be main proceedings.

Statement of Truth

I believe that the facts stated in this Witness Statement are true.

.....

Full name: Russel Hill

Dated 21/2/19.

On behalf of: Petitioner
Made by: Russell Hill
First statement
Exhibit: "RH1"
Made on: February 2019
Filed on: February 2019

CASE NO **of 2019**

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD Respondent

EXHIBIT RH1

This is the exhibit marked **RH1** referred to in the statement of Russell Hill made on 21 February 2019.

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary:
(a) High Court, London
(b) High Court B&PCs DR
(c) Non-B&PCs DR
(d) County Court

[a] **IN THE HIGH COURT OF JUSTICE**
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

[b] ~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**BUSINESS AND PROPERTY COURTS IN [*location*]**~~
~~**INSOLVENCY AND COMPANIES LIST (ChD)]**~~

[c] ~~**[IN THE HIGH COURT OF JUSTICE**~~
~~**CHANCERY DIVISION**~~
~~**[*location*] DISTRICT REGISTRY]**~~

[d] ~~**[IN THE COUNTY COURT AT [*location*]]**~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) Set out the grounds on which a winding-up order is sought

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed,

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness~~

this must be explained

~~statement of [*name*]~~
~~filed in support hereof.]~~

(m) Delete as applicable

(m) The Company ~~is/~~is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

STATEMENT OF TRUTH

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)

ANNEX A

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 870 458 2943
russell.hill@squirepb.com

14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.

- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

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INVESTORS IN PEOPLE

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

Squire Patton Boggs

Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary:
(a) High Court, London
(b) High Court B&PCs DR
(c) Non-B&PCs DR
(d) County Court

[a] IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

[b] ~~[IN THE HIGH COURT OF JUSTICE~~
~~BUSINESS AND PROPERTY COURTS IN [*location*]~~
~~INSOLVENCY AND COMPANIES LIST (ChD)]~~

[c] ~~[IN THE HIGH COURT OF JUSTICE~~
~~CHANCERY DIVISION~~
~~[*location*] DISTRICT REGISTRY]~~

[d] ~~[IN THE COUNTY COURT AT [*location*]]~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[*or other identification details*]

(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) Insert date of incorporation and the enactment (as applicable); delete where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.

Which are divided up as follows: 1000 shares of £0.01 each.

(g) Enter the aggregate value of the shares (see the PDIP above)

(g) The aggregate nominal value of those shares is £10

(h) Enter amount of capital paid up or credited as such (see PDIP above)

(h) The amount of the capital paid up or credited as paid up is £10

(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) Set out the grounds on which a winding-up order is sought

(j) The grounds on which the winding-up order is sought are:
The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)

~~[(k) The Company has be special resolution dated [*date*] resolved that the company be wound up by the court.]~~

(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)

~~(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

If more than 4 months have elapsed, this must be explained

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of [*name*] filed in support hereof.]~~

(m) Delete as applicable

(m) The Company is/~~is not~~ an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

Delete as applicable.

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

- the EU Regulation on Insolvency Proceedings will~~/will not~~ apply and
- these proceedings will be main~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

(r) Delete as applicable

ADDRESSES:

(q) It is intended to serve this petition on:

(1) the Company

~~(2) [...]~~

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or...]~~

Delete as applicable and insert the relevant details as necessary.

Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.

(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe/~~The Petitioner believes that the facts stated in this petition are true.

Signed: .....

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on and will be heard at:

Place .....

Date .....

Time .....

(or as soon thereafter as the petition can be heard)

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH
DX No 136546 Bishopsgate 2

T +44 (0)20 7655 1000
F +44 (0)20 7655 1001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

REMITTANCE ADVICE

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225

	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
Total	1,200.00		6,000.00

With Our Compliments

THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE

Complaint
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).

Taxation or Assessment
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.

Interest
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.

For Direct GBP Payment please send to:

Bank:	**Lloyds Bank Plc**
Sort Code:	**30-00-05**
Account Number:	**00200399**
IBAN:	**GB92LOYD30000500200399**
SWIFT:	**LOYDGB21007**

For cheque payments please send to:
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

Add Disbursements	0.00
Add 20% VAT	1,200.00
Total	7,200.00
Less Receipts	0.00
Amount Due	7,200.00

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

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Please visit squirepattonboggs.com for more information.

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SCHEDULE OF CHARGES

DATE	HOURS	TIMEKEEPER	NARRATIVE
03/04/2018	0.10	S Tibbetts	Reviewing correspondence and agreement.
03/04/2018	0.60	S Tibbetts	Reviewing correspondence and agreement, call with A. Wilkinson and considering agreements.
04/04/2018	0.90	S Tibbetts	Call to discuss listing fee agreement.
05/04/2018	1.10	S Tibbetts	Reviewing documentation, considering agreement and drafting correspondence.
09/04/2018	0.80	S Tibbetts	Listing Fee Agreement: drafting correspondence regarding NanoLabs Listing Fee Agreement.
16/04/2018	0.40	S Tibbetts	Listing Fee Agreement: reviewing and drafting correspondence regarding Listing Fee Agreement.
16/04/2018	1.20	S Tibbetts	Listing Fee Agreement: drafting Listing Agreement.
16/04/2018	0.70	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	1.10	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	3.10	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	1.90	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
18/04/2018	1.10	S Tibbetts	Listing Fee Agreement: drafting listing fee agreement.
18/04/2018	2.40	S Tibbetts	Listing Fee Agreement: drafting listing fee agreement and correspondence.
19/04/2018	0.30	S Tibbetts	Currency Listing Agt: reviewing and drafting correspondence, including comments to agreement.
20/04/2018	0.50	S Tibbetts	Currency Listing Agt: prep for call and call to discuss.
20/04/2018	1.50	S Tibbetts	Currency Listing Agt: drafting amends to agt following call.
20/04/2018	3.70	S Tibbetts	Currency Listing Agreement: drafting updates to currency listing agreement and correspondence.

TOTAL HOURS	**21.40**
TOTAL CHARGES	**7,276.00**

TIME SUMMARY

NAME	HOURLY RATE	HOURS	TOTAL
S Tibbetts	340.00	21.40	7,276.00
GRAND TOTAL		**21.40**	**7,276.00**

MATTER TOTAL

SUB TOTAL FEES	**6,000.00**
SUBTOTAL	**6,000.00**
VAT: 20%	**1,200.00**
TOTAL AMOUNT DUE FOR THIS MATTER	**8,476.00**

THE GAZETTE
OFFICIAL PUBLIC RECORD

Published by Authority | Est 1665

Notice details

Type:
Corporate Insolvency
> Petitions to Wind Up (Companies)

Earliest publish date:
19 March 2019

Edition:
The London Gazette

Notice ID:
3236027

Company number:
10966096

Notice code:
2450

Issue number:
62592

Page number:
5001

About Petitions to Wind Up (Companies) notices

Petitions to Wind Up (Companies)

In the High Court of Justice

CR-2019-CR-2019-001356

In the matter of **LONDON BLOCK EXCHANGE LTD**

Trading As: LONDON BLOCK EXCHANGE LTD,

and in the Matter of the Insolvency Act 1986,

A Petition to wind up the above-named company of LONDON BLOCK EXCHANGE LTD (10966096) of Kemp House, 160 City Road, London EC1V 2NX, whose nature of business is Cryptocurrency Exchange, presented on Monday 25 February 2019, at 12:00 by SQUIRE PATTON BOGGS (UK) LLP, of 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH claiming to be a Creditor of the Company, will be heard at the High Court of Justice, Rolls Building, Fetter Lane, London EC4A 1NL on Wednesday 10 April 2019, at 10:30 (or as soon thereafter as the Petition can be heard).

Any person intending to appear on the hearing of the Petition (whether to support or oppose it) must give notice of intention to do so to the Petitioners or to their Solicitor in accordance with Rule 7.14 by 16:00 hours on Tuesday 09 April 2019

The Petitioner's Solicitor is Russell Hill, Rutland House, 148 Edmund Street, Birmingham B3 2JR,, Telephone: 0121 222 3132, Email: russell.hill@squirepb.com (Reference number: RH13/HAM.150-0220.)

Notice timeline for LONDON BLOCK EXCHANGE LTD (10966096)

Petitions to Wind Up
19/03/2019

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Respondent
B.Davies
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE **Case no: CR2019-001-356**

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

EXHIBIT BD/2

TO

WITNESS STATEMENT OF
BENJAMIN DAVIES

From: raf.demczuk@wlegal.co.uk
Date: Tuesday, 9 April 2019 at 15:37
To: "Hill, Russell" <russell.hill@squirepb.com>, "Proctor, Andrew" <andrew.proctor@squirepb.com>
Cc: "pwhiteis@aol.com" <pwhiteis@aol.com>, Damian Falkowski <damian.falkowski@39essex.com>, Nigel Kushner <nigel.kushner@wlegal.co.uk>
Subject: Draft Order in JR 1902065, London Block Exchange-v-Squire Patton Boggs (UK) LLP

Dear Sirs

Claim no: JR 1902065
London Block Exchange-v-Squire Patton Boggs (UK) LLP

Further to today's Telephone Hearing, please confirm if you are agreeable to the attached Draft Order so we may file it with the Court.

Kind regards,

Raf Demczuk
W Legal Limited
www.wlegal.co.uk
Office: +44 (0) 207 220 9130
Fax: +44 (0) 20 7112 4833
Regulated by the Solicitors Regulation Authority
Registered Address: 47 Red Lion Street, London, WC1R 4PF
Registered Company Number: 06649868

IN THE HIGH COURT OF JUSTICE **CLAIM NO: JR 1902065**

SENIOR COURT COSTS OFFICE

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and –

SQUIRE PATTON BOGGS (UK) LLP

Defendant

UPON THE APPLICATION OF THE CLAIMANT

AND UPON AGREEMENT REACHED BETWEEN THE PARTIES

IT IS ORDERED BY CONSENT THAT

(1) The Defendant must within 28 days deliver to the Claimant, or to his solicitors, a Bill of Costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.

(2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).

(3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.

(4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

DATED the APRIL 2019

IN THE HIGH COURT OF JUSTICE **CLAIM NO: JR 1902065**
SENIOR COURT COSTS OFFICE

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and –

SQUIRE PATTON BOGGS (UK) LLP (Solicitors)

Defendant

SKELTON ARGUMENT OF THE CLAIMANT
FOR HEARING BEFORE MASTER ROWLEY
TUESDAY 30TH APRIL 2019 at 10:30AM

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1. Introduction:

This Skeleton Argument is prepared on behalf of the Claimant ("**C**") to assist the Court. C is a financial institution, regulated by the Financial Conduct Authority. C is legally represented in relation to 2 matters arising out of the apparent solicitor-client relationship with the Defendant ("**D**") that is a firm of solicitors.

a) D has applied to wind up the Claimant, absent a Judgment/Order/Claim on the basis of 2 interim requests for payment for apparent solicitors' services. Its application is being defended at the High Court of Justice, case no: CR-2019-001356 and continues despite no determination at the SCCO. On 9th April, C attempted to agree directions in order to incorporate them into the Winding Up Petition proceedings so same time table applies. The Winding Up is reliant on the validity of the bills that C disputes. D did not agree to that and on 10th April the Winding Up Judge was addressed on the issue on solicitors bills rather than the matter first being determined by SCCO.

b) C, having requested a Final Bill and been refused one, had no choice but to issue an Application for the delivery of the Final Bill.

c) D has not filed any reply thereto but has written a letter to C's solicitors' *senior partner* with WPSAC points therein hence it is not admissible as inter partes correspondence. That letter has not been filed with the Coutrt. No Witness Statement nor a proper reply was ever made served or filed by D in these proceedings.

Background:

2. This hearing is unnecessary and takes places further to a telephone hearing of 9th April 2019 only because the D did not:

2.1 Agree Draft Directions as per 9th April hearing after C e-mailed them immediately after the hearing
2.2 Reply to C's correspondence for 14 days
2.3 Agree draft directions and still does not agree
2.4 Attempt to agree Directions
2.5 Attempt to narrow the scope of the hearing
2.6 Explain the position on £13,000 deposited in its account by C's investor

Key issues:

3. **Retainer:** There is no signed LoE between parties. D states that it has conducted solicitors' work for C and that D was a solicitor for C. C's position is that D was approached via an external contractor not an employee and not a Director for work useful to that contractor as a friend to a friend. A friend of that contractor who worked as a solicitor for D. D sent invoices to that contractor who in 2019 asserted that the responsibility for payment was on C. Periods of the claimed retainer are unknown as it is the end point of the alleged retainer.

4. **Particulars of fees sought.** These have not been particularized, hourly rates are not agreed, Terms and Conditions have not been signed or explained, it is unknown which solicitor has had conduct of this matter.

5. **£13,000 placed with D**. C's investor worried about the Winding Up and placed £13,000 with D. D's interim request for payments amount to £10,523.54 and its Winding Up petition is for that amount. C is at utter loss at to what D is claiming money for and ow much.

6. **Winding Up**, although D considers itself to be or have been a solicitor for C, it did not issue a claim against D but proceeded to Wind it Up. The Wining Up is based on the invoices that needed to be asessed by SCCO, the Winding Up process is not equipped to do so and submissions on technicalities of Solicitors bill were made at the Winding Up heating on 10th April 2019. This is a waste of court's time and Winding Up, that was not ordered on 10th April needed to have its timetable incorporated in conjunction with the SCCO.

Chronology

12.03.18 External contractor of C states to C that he needs a law firm for his own work
13.03.18 that contractor speaks to D via a friend who works at D buts signs no LoE and nothing for C
20.03.18 Contractor has contact with D but not for C
21.03.18 Contractor receives his own LoE for him but does not sign
05.06.18 D starts asking contractor for money
26.10.18 Contractor receives invoices, no explanation or breakdown
08.01.19 C's contractor confirms to D that he is not responsible for their invoices
10.01.19 Mr Hill of D writes to introduce himself to contractor of C
15.01.19 C's contractor confirms that he is external and not C
27.01.18 D starts asking C for more money
28.02.19 D's application to Wind Up C
12.03.18 C's Investor sends D £13,000 to close the matter, but D continues on
26.03.19 C's solicitors request Final Bill and Certificate of Service of Final Bill
27.03.19 C's 2nd request for Final Bill
27.03.19 D's email asking what a Final Bill is is
27.03.19 C's warning of an SCCO Application
27.03.19 D asking what SCCO proceedings are, and for "*statutory provisions*" for SCCO claim
27.03.19 C's further request for a Final Bill
04.04.19 C issued and served SCCO Application
04.09.19 SCCO Application filed in Winding Up proceedings and re-served
08.04.19 C's Application for a telephone hearing at SCCO before the Winding up Petition
08.04.19 D opposes the SCCO tel. hearing before Winding up
08.04.19 D states it will adjourn Winding Up and no need for SCCO hearing on 09.04.19
09.04.19 D it does not adjourn Winding Up
09.04.19 Telephone hearing before Master Rowley, SCCO
09.04.19 Draft SCCO Directions e-mailed to D immediately but no reply
09.04.19 C's Draft Directions filed with WS in the Winding Up petition
10.04.19 Winding Up hearing at HCJ, Directions given absent SCCO matter
15.04.19 Absent Agreed Directions, SCCO Order sent to parties listing the matter on 30.04.19
25.04.19 E-mail from D opposing Draft Directions of 09.04.19 asking for Order and issued Application
26.04.19 D calls SCCO makes unilateral arrangements for tel. hearing
26.04.19 C's letter to D setting out the position on Draft Directions of 9th April 2019
29.04.19 D comments for an online press release about C "*debt it is owed*"
29.04.19 D refuses to clarify the position of £13,000 paid thereto by C's Investor

7. Hearing on 9th April 2019

In accordance with the comment made by Master Rowley on 9th April 2019, the Claimant submitted to the Defendant immediately following the hearing, by e-mail, a draft form of Order for Directions as follows:

(1) The Defendant must within 28 days deliver to the Claimant, or to his solicitor, a bill of costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.

(2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).

(3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.

(4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

8. The Defendant failed to respond to the proposed directions until just two days before the hearing fixed for 30th April 2019. There followed a series of lengthy exchanges between the parties with the Defendant failing to deal in any way with the issue of directions.

9. The matter has been drawn out totally unnecessarily in to issues that were either irrelevant or matters to be dealt with in the assessment.

10. The Claimant seeks an order as above with costs incurred between the parties arising out of the attached correspondence and hearing today to be payable by the Defendant to be assessed if not agreed.

PAUL WHITE
COSTS LAWYER FOR THE CLAIMANT

DATED: 30th April 2019

IN THE HIGH COURT OF JUSTICE **CLAIM NO: JR 1902065**
SENIOR COURT COSTS OFFICE
COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and –

SQUIRE PATTON BOGGS (UK) LLP

Defendant

CLAIMANT'S SUBMISSIONS ON THE PRELIMINARY ISSUES PURSUANT TO ORDER OF MASTER ROWLEY DATED 30th APRIL 2019

In accordance with the comment made by Master Rowley on 30th April 2019 and the Order of same date, the Claimant sets out details of the preliminary issues as follows:

A. Was there a Retainer between the Claimant and Defendant:

There is no signed Letter of Engagement between the parties. The Defendant states that it has conducted work for the Claimant and that Defendant was a solicitor for the Claimant. The Claimant's position is that the Defendant was approached via an external contractor Mr Marcin Nawrocki not an employee and not a Director for work useful to that contractor as a friend to a friend. The Claimant admits that Marcin Nawrocki from time to time utilized an email address with the domain of the Claimant but was never an employee, nor a Director and was never authorized by the Claimant to contractually bind it. Claimant's details are available on Companies House and a firm of solicitors would have had access to its very short list of Directors and the Articles of Association that are on the Companies House online. A friend of that contractor, a solicitor asserted that responsibility for the Defendant. The Defendant sent invoices to that contractor who with a delay i.e. in 2019 asserted that the responsibility for payment was on the Claimant. The Defendant uncritically followed that suggestion. There was and has never been any signed nor agreed Retainer between the Claimant and Defendant. The Claimant has not expressly agreed to the Defendant's Terms and Conditions. Moreover, the Claimant is simply unable to ascertain what work has been done and at what cost. The Defendant refused to provide it with its Final Solicitors' Bill and applied to the High Court to Wind the Claimant Up on the basis of the Defendants' invoices.

The Claimant is a money exchange business and was under the impression that should they need to engage a Firm of Solicitors, a face to face meeting would have been necessary for Know Your Customer/ Anti Money Laundering purposes and there was no such a meeting.

The Defendant has acted adversely and unambiguously towards the Claimant and the Claimant did not find that consistent with actions of a firm of solicitors acting for a client. The Defendant has made a negative press comment on its Winding Up action and enclosed an enlarged A4 size photo page of a passport of the Claimant's Director with a Witness Statement thereby compromising that Director's personal data. The Defendant has implied that it is a "friend" of the Claimant and gave otiose insolvency advise out of the remit of its purported retainer.

The Claimant rejects an argument that if an email with an attachment is sent but it is not signed nor explained, then a solicitors' firm becomes instructed by a client.

B. Are the invoices numbered 2622803 and 2624225 dated 29th March 2018 and 25th April 2018 respectively interim statute bills:

On the face of each invoice it merely gives the matter headings and the one-line narrative '*To our professional services in the above matter*.' The two invoices do not state that they are interim or final statute bills. They do not show the periods in which they cover. The invoices do not provide details of any instructions for the work done nor do they provide sufficient, if any, narrative to identify as to the work undertaken to enable advice to be taken as to their reasonableness.

The invoices/bills issued by the Defendant were never signed by the Claimant and neither was the covering letter attaching them.

C. Parallel proceedings

The Defendant has refused to give priority to the SCCO proceedings that the Claimant suggested are prioritized before the contested Winding Up proceedings. The Claimant is solvent, and the Defendant has applied to Wind the Claimant up before the SCCO determination of the above issues A-B. The Claimant continues to be solvent. Parallel proceedings in the same High Court of Justice continue unnecessarily. The Defendant has never issued any money claim nor sent a Letter of Claim to the Claimant.

D. Evidence

The Claimant intends to rely upon the entirety of evidence served thus far in all, inclusive of the Parallel proceedings concerning the above A-B issues in question.

Paul White
Costs Draftsman for the Claimant
DATED: 28th MAY 2019